AGENDA

Meeting Type:	SPECIAL
Date:	01/21/99, 01/22/99
	01/23/99 RETREAT

City of Charlotte, City Clerk's Office

Thursday, January 21

12 00 noon **Lunch**

12 45 p m **Opening Remarks** (Ross/Tufts Room)
After lunch, the Mayor and Council Retreat Planning Committee will share the ideas that were incorporated in the planning for the retreat

1 00 p m **Framework for a Livable City**
Each Councilmember will be given five minutes to address the following question

"What kind of City do we want to be in 2015?"

The retreat notebook includes a summary of the 2015 plan approved by Council in November 1997

2 30 p m **Break**

2 45 p m **Economic Development Focus Area**
Ted Lyman, Economic Development consultant with ICF Kaiser, will discuss the public/private partnership needed for a successful economic development strategy This presentation is a part of the Charlotte Chamber's economic development strategic plan for the region A summary is attached

Lynn Wheeler, Chair of the Economic Development and Planning Committee, will review the focus plan

5 30 p m **Free Time**

6 00 p m **Dinner** (South Room)

Friday, January 22

7 45 a m **Breakfast** (Carolina Dining Room)

8 30 a m **Transportation Focus Plan** (North Room)
Staff has prepared a discussion on the implementation of the transit ½ cent sales tax The discussion will focus on governance, organization and the tax implementation

Sara Spencer and Al Rousso, Co-Chairs of the Transportation Committee, will review the focus plan

10 00 a m **Break**

10 15 a m **Continue Transportation Discussion**

11 45 a m **Lunch** (Carolina Dining Room)

1 00 p m **City Within A City Focus Plan** (North Room)
David Rusk is considered a national expert in urban affairs He is author of *Cities without Suburbs* and *Baltimore Unbound* He has been asked to focus on our efforts in the CWAC Focus plan and to compare our progress with other municipalities

Rod Autrey, Chair of City Within a City Committee, will review the focus plan

3 00 p m **Break**

3 30 p m **FY2000 and FY2001 Operating Budget Development**
This session will focus on the major issues in the operating budget including revenue and expense projections

4 30 p m **FY2000-2004 Capital Investment Plan**
The session will focus on the framework for Council decision-making for the Capital Investment Plan

5 30 p m **Free Time**

6 00 p m **Dinner** (Crystal Room)

8 00 p m **Informal Discussion** (Villa Meeting Room)

Saturday, January 23

7 45 a m **Breakfast** (Carolina Dining Room)

8 30 a m **Community Safety Focus Plan** (North Room)
George Kelling is co-author of *Fixing Broken Windows Restoring Order in American Cities* He is currently doing research for a national evaluation of community policing in twelve cities He will discuss community policing and is asked to evaluate our efforts to reduce crime and increase community safety

Don Reid, Chair of the Public Safety Committee, will review the focus plan

10 30 a m **Break and Check out**

11 00 a m **1999 Priorities Wrap Up Session** (North Room)
Council will review and approve the 1999 priorities and 1999 Focus Area Plans

12 00 p m **Lunch and Safe Travel Home** (Carolina Dining Room)

1999 City Council Retreat

Table of Contents

	Page Number
Travel/Accommodations Information	1
1999 Retreat Goals	2
Retreat Agenda	5
Framework for the Retreat	6
2015 Plan Summary	8
Ted Lyman Biographical Information	9
Economic Development Focus Area Update - Draft	18
Transit Implementation	31
Transportation Focus Area Update - Draft	41
David Rusk Biographical Information	42
City Within A City Focus Area Update - Draft	52
Financial Information	
Goals for the FY2000-FY2001 Operating Budget and the FY2000-2004 Capital Investment Plan	54
Financial Projections 1999-2003	56
Budgetary Issues in the Upcoming Two-year Budget Cycle	64
Capital Investment Plan Program Policies	66
Capital Investment Plan Financial Policies	67
Upcoming Budgetary Issues in the FY2000-20004 Capital Investment Plan	69
General Government Debt Capacity	70
Convention Center	73
George L Kelling Biographical Information	75
Community Safety Focus Area Update - Draft	76
1999 Priorities	88
Restructuring Government	92

INFORMATION

Check-in is 4:00 p.m., although some rooms may be available earlier.

Check-out is 12:00 noon.

Incoming fax messages may be picked up at the Member/Guest Services Desk. A small light on your telephone will indicate a message is being held for you. The guest fax number to receive a fax is 910-295-8466. The number to leave a message for a guest is 910-295-6811.

Complimentary shuttle service is provided throughout the resort.

Food and/or beverages purchased outside of the Pinehurst Resort are allowed only in the villa meeting rooms. In all other areas of the resort, food and beverage must be purchased on the property.

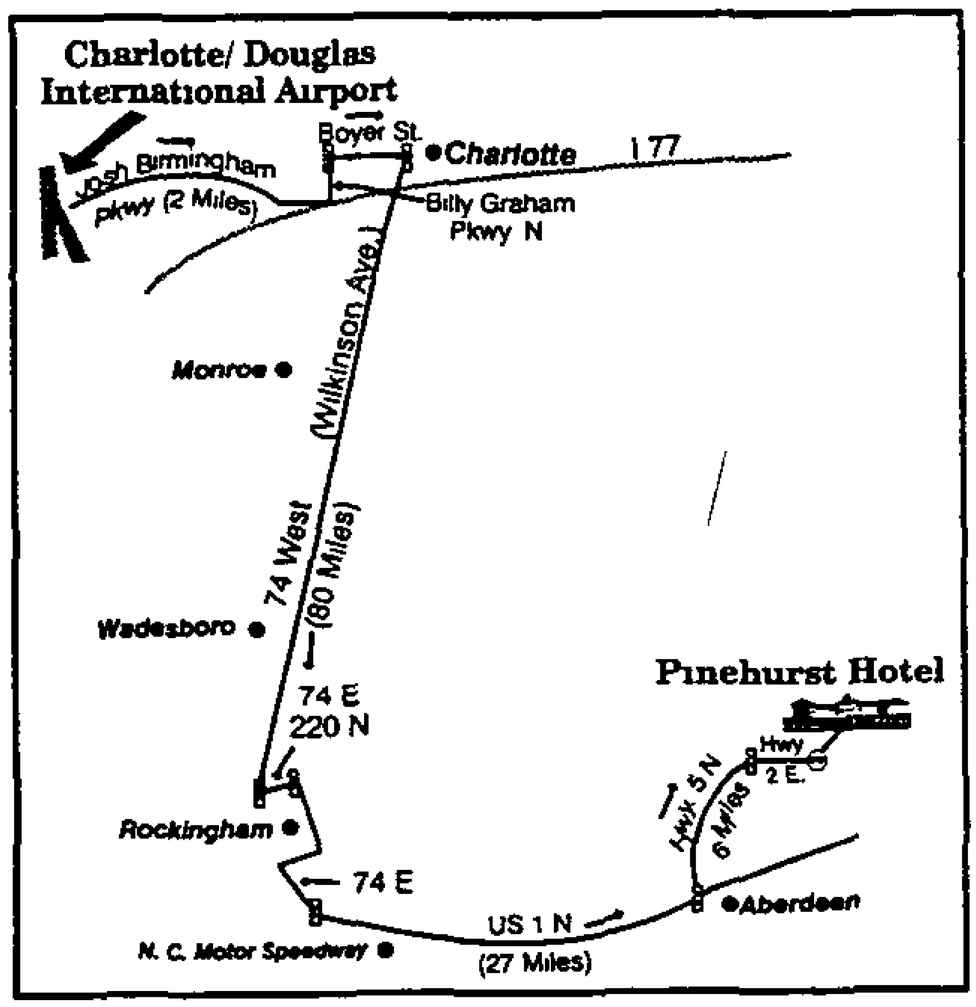
Appropriate Attire – Denim is not permitted on golf courses and isn't in favor in the hotel, either.

Amenities – At no additional charge, guests of the hotel may take advantage of a variety of resort amenities, including badminton, volleyball, biking, hotel pool, fitness programs and fitness center. Other amenities are available for an additional charge for which people will be personally responsible: golf, tennis, croquet, lawn bowling, carriage rides.

To make reservations for golf, call 1-800-487-4653 or 1-800-795-4653. In case you plan to golf, take note that metal spiked golf shoes are not allowed on any Pinehurst golf courses. Only rubber spikes are allowed.

From Charlotte Airport To The Pinehurst Hotel

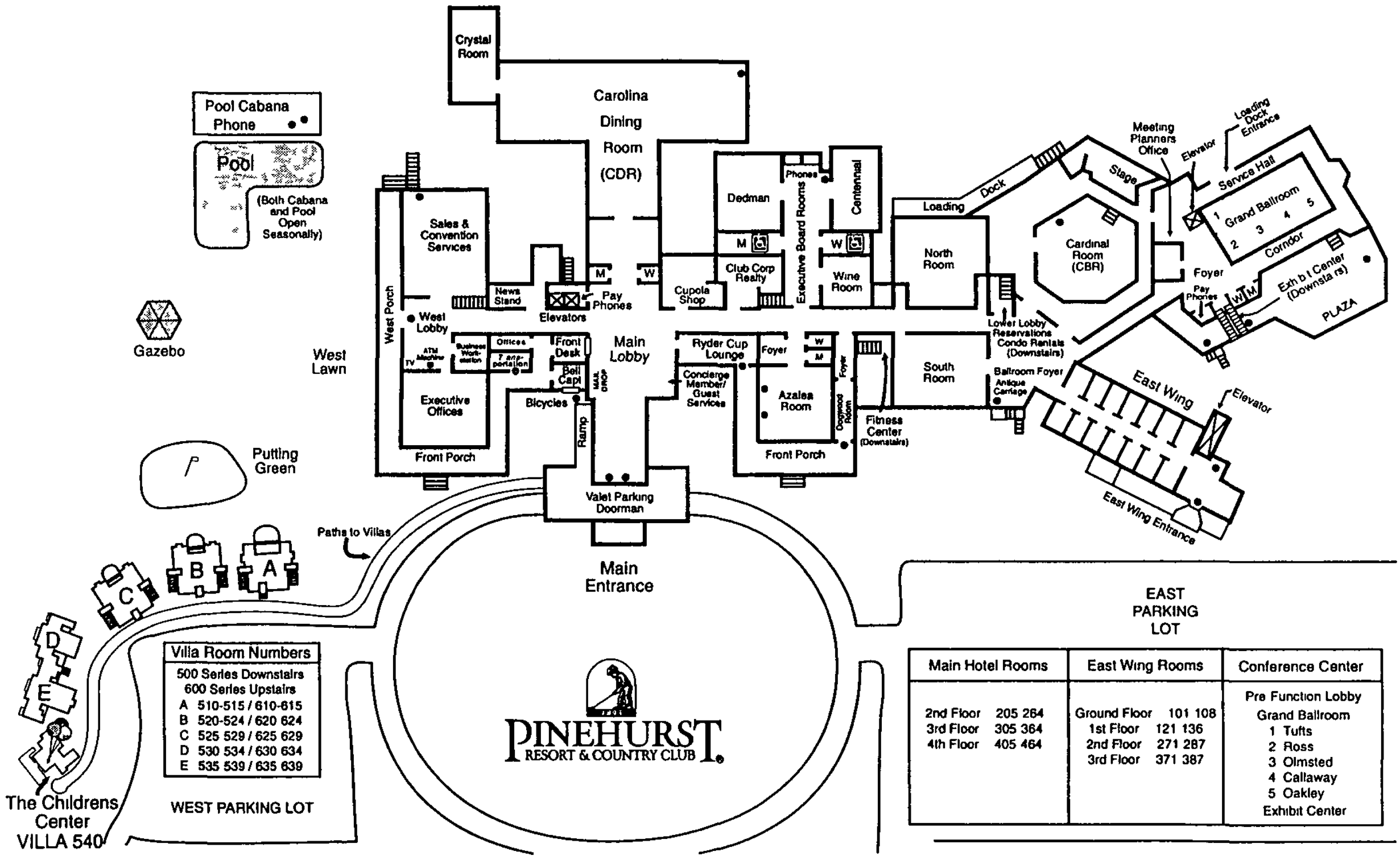
Directions from Charlotte/Douglas International Airport to Pinehurst Hotel 112 Miles . . . 2 Hours, 30 Minutes



Follow Airport Exit signs on Josh Birmingham Pkwy leading to Billy Graham Pkwy. N. The distance is approximately 2 miles.
At traffic light of Boyer Street turn left.
Go a short distance to the next traffic light which is 74 E. (Wilkinson Ave) Turn right.
You will drive toward downtown Charlotte
When you have gone approximately 5 miles, 74 E. and 277 N. briefly join.
Exit at 2B. The sign will read to 74 E. and Independence Blvd.
Travel approximately 80 miles on 74 E. to Rockingham.
At the first traffic light upon entering Rockingham, turn left on 220N
At next traffic light turn right, following signs to US 1 North.
At the intersection of Green St. and Fayetteville Rd. turn left onto US 1 N Proceed 27 miles to Aberdeen.
Once in Aberdeen you will come to an intersection of US 1 N. And Hwy 5 N Turn left onto Hwy 5 N
Travel on Hwy 5 for approximately 6 miles to the fourth traffic light (just past railroad overpass) Turn right. This will put you on Hwy. 2 East
Take the first left onto Carolina Vista.
The Pinehurst Hotel is straight ahead.
WELCOME. DO ENJOY YOUR VISIT WITH US!

HER INFORMATION OR
NSPORTATION RATES CALL
-910-295-8410

Pinehurst Hotel and Conference Center Map

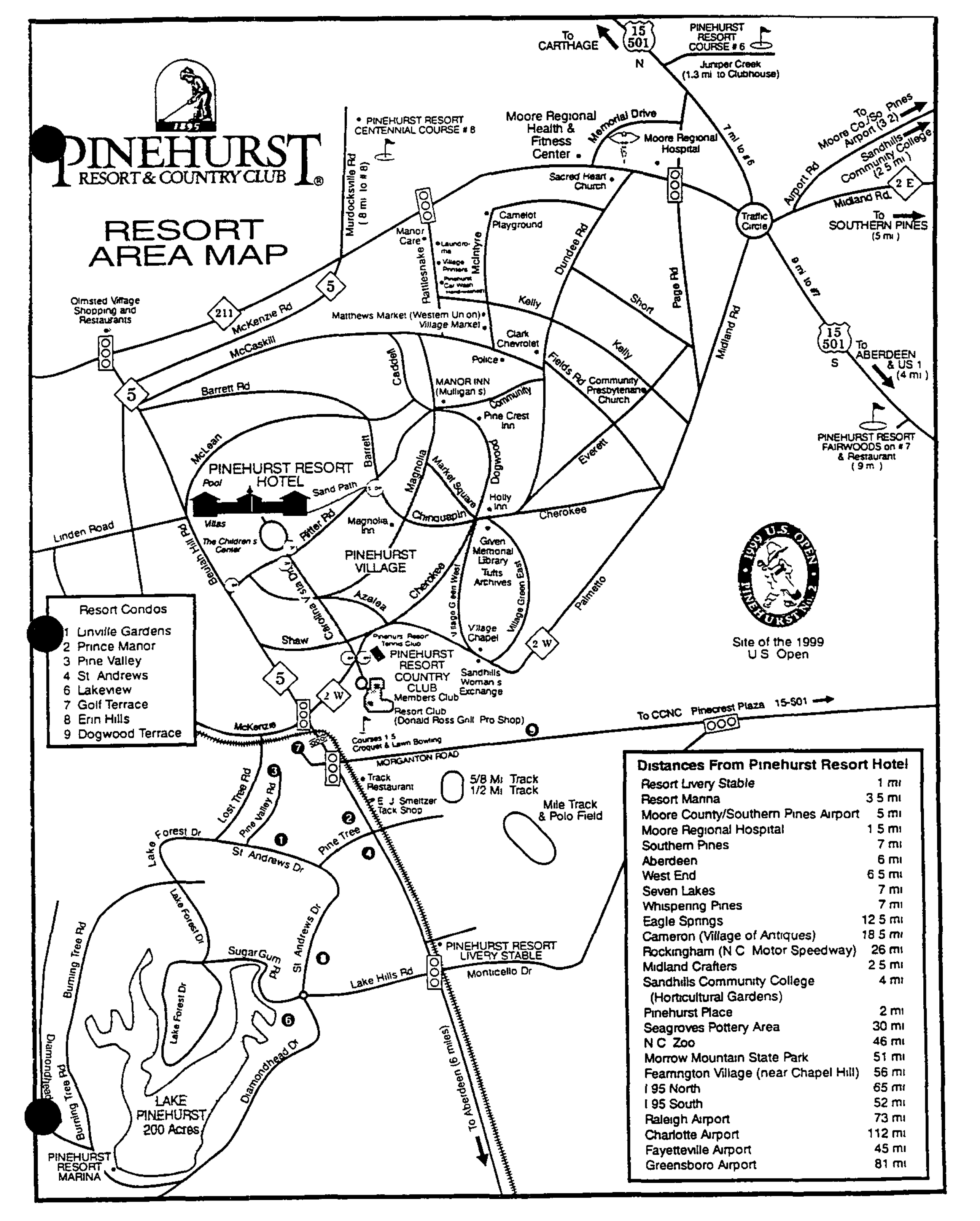


Villa Room Numbers
500 Series Downstairs
600 Series Upstairs
A 510-515 / 610-615
B 520-524 / 620 624
C 525 529 / 625 629
D 530 534 / 630 634
E 535 539 / 635 639

Main Hotel Rooms	East Wing Rooms	Conference Center
2nd Floor 205 264	Ground Floor 101 108	Pre Function Lobby
3rd Floor 305 364	1st Floor 121 136	Grand Ballroom
4th Floor 405 464	2nd Floor 271 287	1 Tufts
	3rd Floor 371 387	2 Ross
		3 Olmsted
		4 Callaway
		5 Oakley
		Exhibit Center

● Indicates Fire Exit

Enlargement of Conference Center on reverse side.


PINEHURST
RESORT & COUNTRY CLUB
RESORT AREA MAP
To CARTHAGE
15 501 N
PINEHURST RESORT COURSE # 6
Juniper Creek (1.3 mi to Clubhouse)
PINEHURST RESORT CENTENNIAL COURSE # 8
Moore Regional Health & Fitness Center
Memorial Drive
Moore Regional Hospital
7 mi to #6
To Moore Co/So Pines Airport (3 2)
Sandhills Community College (2 5 mi)
Airport Rd
Midland Rd.
2 E
To SOUTHERN PINES (5 mi)
Traffic Circle
Murdocksville Rd (8 mi to # 8)
Sacred Heart Church
Camelot Playground
Manor Care
Rattlesnake
McIntyre
Dundee Rd
Page Rd
Short
Kelly
Olmsted Village Shopping and Restaurants
211
McKenzie Rd
McCaskill
Matthews Market (Western Union)
Village Market
Clark Chevrolet
Police
Fields Rd
Community Presbyterian Church
Midland Rd
9 mi to #7
15 501 S
To ABERDEEN & US 1 (4 mi)
Barrett Rd
Caddell
MANOR INN (Mulligan s)
Community
Pine Crest Inn
PINEHURST RESORT FAIRWOODS on # 7 & Restaurant (9 m)
McLean
PINEHURST RESORT HOTEL
Pool
Sand Path
Villas
The Children s Center
Barrett
Magnolia
Market Square
Dogwood
Everett
Holly Inn
Chinquapin
Cherokee
Linden Road
Pitter Rd
Magnolia Inn
Given Memorial Library
Tufts Archives
PINEHURST VILLAGE
Beulah Hill Rd
Carolina Vista Dr
Azalea
Village Green West
Village Green East
Palmetto
Shaw
Village Chapel
Pinehurst Resort Tennis Club
PINEHURST RESORT COUNTRY CLUB
Members Club
Resort Club (Donald Ross Golf Pro Shop)
Sandhills Woman s Exchange
2 W
McKenzie
Courses 1 5 Croquet & Lawn Bowling
MORGANTON ROAD
To CCNC Pinecrest Plaza 15-501
Track Restaurant
E J Smeltzer Tack Shop
5/8 Mi Track
1/2 Mi Track
Mile Track & Polo Field
Lost Tree Rd
Pine Valley Rd
Lake Forest Dr
St Andrews Dr
Pine Tree
Lake Forest Dr
Burning Tree Rd
Sugar Gum Rd
St Andrews Dr
PINEHURST RESORT LIVERY STABLE
Lake Hills Rd
Monticello Dr
Lake Forest Dr
Diamondhead Dr
To Aberdeen (6 miles)
LAKE PINEHURST 200 Acres
PINEHURST RESORT MARINA
1999 U.S. OPEN PINEHURST NO. 2
Site of the 1999 U S Open
Resort Condos
1 Linville Gardens
2 Prince Manor
3 Pine Valley
4 St Andrews
6 Lakeview
7 Golf Terrace
8 Erin Hills
9 Dogwood Terrace
Distances From Pinehurst Resort Hotel
Resort Livery Stable 1 mi
Resort Manna 3 5 mi
Moore County/Southern Pines Airport 5 mi
Moore Regional Hospital 1 5 mi
Southern Pines 7 mi
Aberdeen 6 mi
West End 6 5 mi
Seven Lakes 7 mi
Whispering Pines 7 mi
Eagle Springs 12 5 mi
Cameron (Village of Antiques) 18 5 mi
Rockingham (N C Motor Speedway) 26 mi
Midland Crafters 2 5 mi
Sandhills Community College (Horticultural Gardens) 4 mi
Pinehurst Place 2 mi
Seagroves Pottery Area 30 mi
N C Zoo 46 mi
Morrow Mountain State Park 51 mi
Fearrington Village (near Chapel Hill) 56 mi
I 95 North 65 mi
I 95 South 52 mi
Raleigh Airport 73 mi
Charlotte Airport 112 mi
Fayetteville Airport 45 mi
Greensboro Airport 81 mi

1999 Retreat Goals

Provide an environment for City Council to discuss:

1. **Partnership**

   Development of a partnership between the Mayor, Council and City Manager on the major goals and priorities for 1999, review the priorities and focus area plans

2. **Focus Areas**

   Review the framework for the focus areas, concentrate on the focus area updates, particularly on innovation and strategic direction, discuss

   - current status
   - new direction
   - additional needs

3. **FY2000 and FY2001 Operating Budget Development**

   Establish policy direction for the operating budget

4. **Five-year Capital Investment Plan**

   Review the current capital policies, the debt projections for various funds and major capital projects

Framework for the Retreat

The Mayor and Councilmembers are asked to prepare in advance of the retreat a five minute answer to the following question

"What kind of City do we want to be in 2015?"

Attached is a summary of the 2015 plan adopted by Council in November 1997

2015 Plan
Summary

The 2015 Plan is a policy document establishing a number of priority areas that the community should be focusing on to ensure that Charlotte-Mecklenburg remains economically viable, and continues to offer a high quality of life in the next century

The Plan includes the following goals

Economic Development We should provide an environment where businesses can grow and prosper, but not at the lessening of our quality of life We need to prepare the workforce to meet the needs of business, but we also need to make sure that we have businesses that can provide jobs for a diverse workforce

- Pursue a diverse economy that is adaptable to the changing global environment and provides quality jobs for an urban population
- Make government the model of best business practices
- Provide the infrastructure and facilities that support economic growth
- Provide superior educational and training opportunities
- Enable Charlotte-Mecklenburg to compete for relocating businesses
- Make Charlotte-Mecklenburg a safer community

Transportation We can no longer pursue a "roads first" strategy We must begin developing a transit system today to meet the needs of our growing population Along with transit, we have to do a better job of incorporating bicycles, pedestrians, and alternate modes of transportation into our system

- Develop a transportation system that offers choices in travel modes
- Support incremental development of a fixed guideway (transit) system
- Improve and expand existing roads to better accommodate all travel modes and all segments of the population
- Integrate bicycling into the planning, design and construction of transportation facilities
- Provide facilities to make it easier, safer and more enjoyable to walk
- Improve, expand and integrate airport facilities to meet mobility and economic needs

Neighborhoods Neighborhoods are the building blocks of the community They must be provided with support and resources to be successful, whether it be making infrastructure improvements, working to eliminate substandard housing, or providing training for neighborhood leaders The strength and viability of the greater community rests on the viability of each of the individual building blocks

- Reduce crime throughout the community
- Maintain the existing housing stock and build a variety of housing types
- Encourage innovation in neighborhood design and development
- Reinvest in neighborhoods to enhance their character and vitality

Education The publish school system must be an active participant in planning for the future of our community We must ensure that resources (schools, books, teachers, etc) Are made available and equitably distributed so all citizens have access to a quality education at all levels We must challenge our public school system to think beyond the traditional way educational services have been offered, and come up with more efficient, and effective scenarios

- Make schools integral participants in planning for our community's future
- Develop a comprehensive, long-range public schools facilities plan
- Develop a comprehensive educational services plan
- Provide education, training and re-training opportunities to prepare citizens to compete in a global marketplace

Parks, Recreation and Open Space With our current pace of development, it is critical that we reserve land now for parks, recreation and open space or we won't have the opportunity later To reserve, and develop land now for these uses will require that we forge new partnerships and begin thinking more creatively about how we can incorporate green/open space into existing and new development

- Provide more parks, recreation and open space resources throughout Charlotte-Mecklenburg
- Update the Parks Master Plan and coordinate with surrounding jurisdictions

Land Use and Urban Design Charlotte has a very suburban development patter and will continue to produce mainly suburban development over the next two decades Our challenge will be to enable more urban development to occur within this framework Meeting this challenge will involve better implementation of the "centers and corridor" adopted land use vision at the local level Inherent in this vision is creating higher density developments within transportation corridors and at major activity centers It will also involve efforts to better balance and manage the growth that we are experiencing Good design will be critical to ensure that development is compatible with the surrounding area, and is sensitive to the natural environment

- Develop Charlotte as a unique and attractive urban center of the region
- Provide for a more geographically balanced growth pattern within Charlotte-Mecklenburg
- Promote higher design quality in development

Regionalism Public service delivery and planning should be coordinated with counties and cities throughout the metropolitan region to increase efficiencies and avoid duplication Regional efforts must also be coordinated locally to ensure that we keep the best interests of Charlotte-Mecklenburg at the forefront of decision making

- Build regional and local concurrence to coordinate land use, transportation, utility and environmental planning and public service delivery in the metro region

ABOUT TED LYMAN

As Senior Vice President for ICF Kaiser's Economic Strategy Group, Mr Lyman is responsible for economic planning and economic strategy development projects for clients around the world His main focus has been on fast-changing economies in and outside the U S

Mr Lyman has 25 years of experience in both developed and developing countries, assisting government and private sector leaders in the areas of economic development planning, strategy development and strategy implementation He has authored or co-authored more than 50 research reports on economic development, including two published books on governmental systems reform

Mr Lyman has been a keynote speaker or panelist at numerous national and international conferences on economic development planning, regional development strategies and program implementation He has been a lecturer at several international universities on economic development, strategic planning, and reforming socialist economies Examples include Stanford University, University of San Francisco, Nan Kai University (Tianjin), Tianjin University, University of Maribor (Slovenia), and University of Chihuahua (Mexico)

Economic Development

Focus Area Update

Draft

Strategic Overview

Charlotte has enjoyed healthy employment and population growth in the 1990s This growth has been the key to the economic success and prosperity of our city and county Sustaining that prosperity -- and assuring that all residents take part in it -- is the ongoing challenge we face

Most forecasts and indicators point to continued strong growth beyond the year 2000 At the same time, other trends suggest we need to address some emerging issues

- Our population is growing even faster than expected Since 1990, we have grown from 395,000 to an estimated 522,000 in 1998, making Charlotte the nation's 32nd largest city However, much of that growth is from annexation, and eventually we will approach the geographic limits to more annexation

- Job growth will continue to be strong in total numbers -- but the competition is getting stiffer As growth accelerates in surrounding counties, and as segments of the Outer Belt are completed, we will have to work harder to keep jobs and tax base in Charlotte

- The ever-changing global economy will continue to impact sectors of the local economy and we must anticipate and respond to these changing forces, particularly in assuring a skilled workforce

On the whole, prospects for the local economy are excellent as we approach the 21st century Like other Southeastern cities, we benefit from a Sunbelt location and friendly, pro-business, honest government But we also have competitive advantages greater than our normal market size -- a major airport hub, a major banking and financial center, and professional sports

With all of Charlotte's advantages, what could make us falter? A 1995 forum of business leaders told City Council three things could pose serious problems if Charlotte is no longer a major airport hub, if traffic congestion problems aren't addressed, or if businesses begin to relocate outside Charlotte or a major company moves its headquarters out of the region

At the bottom line, the issue is not "beating" other markets -- but how good a city can be for its residents The *quality* of growth is more important than the quantity Sustaining prosperity, and assuring access of all residents to it, is what helps define success in economic development

Policy Framework

Charlotte's *Urban Economic Policy* is the framework for City Council discussions on our local economic future In effect, this policy plan is the guide for local government efforts to support the development and growth of the local economy

URBAN ECONOMIC POLICY

The plan was presented to City Council in 1995 as a five-year vision to "create a customer-oriented local government environment" that

- supports development of an educated and trained work force
- fosters partnerships to aid local economic growth
- retains and attracts quality businesses
- provides necessary land, infrastructure, and incentives to support business development
- focuses on opportunities for all citizens to be productive contributors to the economy
- organizes to be responsive to economic development opportunities

The *Urban Economic Policy* identifies three broad goals to accomplish this vision These goals -- and key initiatives for achieving these goals -- are described in the following pages

The *Urban Economic Policy* identifies three broad goals to accomplish this vision These goals -- and key initiatives for achieving these goals -- are described in the following pages

I. Business Support

Key Initiatives

- **Business Retention**
- **Neighborhood Business Revitalization**
- **Public Safety Plans**
- **Workforce Development**
- **Urban Economic Development Strategy**
- **Organization**

II. Strategic Investments

Key Initiatives

- **Infrastructure**
  - Regional Wastewater
  - State-Shared Funding
- **Transportation**
  - Transit Planning
  - Airport Development
- **Facilities**
  - Arena
  - Carolina Theatre

III. Urban Initiatives

Key Initiatives

- **Center City**
  - Center City 2010 Plan
  - Convention Ctr Hotel
  - Uptown Retail
  - First Ward
  - Third Ward
  - Police
  - Trolley
- **City-Within-A-City**
- **Business Corridor Revitalization**
- **Area Strategy Plans**

Advantage Charlotte Proposed Goals

January 15, 1999

	BUSINESS SUPPORT						STRATEGIC INVESTMENTS									URBAN INITIATIVES										
	Business Retention	Neighborhood Business Revitalization	Public Safety Plans	Workforce Development	Urban Economic Development Strategy	Organization	Infrastructure	• Regional Wastewater	• State-Shared Funding	Transportation	• Transit Planning	• Airport Development	Facilities	• Arena	• Carolina Theatre	Center City	• Center City 2010 Plan	• Convention Center Hotel	• Uptown Retail	• First Ward	• Third Ward	• Police	• Trolley	City-Within-A-City	Business Corridor Revitalization	Area Strategy Plans
To Ensure That The Charlotte Economy Is Supported By A Research University	X			X	X																					
To Attract And Train New Information Technology Workers	X			X	X																					
To Produce Well-Prepared High School Graduates				X																						
To Expand Immediately Charlotte's Workforce	X			X	X																					
To Connect Adequate Venture Capital With Area Entrepreneurs																										
To Create The East Coast's Premiere Intermodal Transportation & Airport Industrial Park	X										X	X														
To Facilitate Smart Growth In The Charlotte Region		X						X			X						X		X	X	X		X	X	X	X
To Create A Fertile Environment For Attracting And Supporting Entrepreneurs	X		X																							
To Become A Global Financial Services Center	X				X																					
To Support And Attract Software Development Talent	X				X																					
To Expand The Pool Of Industry Specific Suppliers In The Charlotte Region					X																					
To Support Strategic Public And Private Investments To Enhance The Economy And Quality Of Life		X	X					X	X		X	X		X	X		X	X	X	X	X	X	X			
To Broaden Private Financial Support For Cultural And Social Agendas															X											

Key Initiatives

BUSINESS SUPPORT

Create a customer-oriented government environment that
- **effectively and efficiently delivers services,**
- **works with economic and government partners to develop an educated and trained workforce, and**
- **helps plan and support business development and growth.**

■ Business Retention Strategy

Develop a long-term action plan which fully spells out the City's policy, strategies, and action steps for retaining and expanding local businesses

Measures:
- *Approval of the business retention strategy by City Council by October 1999*
- *Reduction in businesses relocating from Charlotte*
- *1999 Legislative Session approval of City Council's Business Investment Program incentives, adopted in 1998 for specific geographic areas (if necessary)*
- *Increased private investment in eligible areas*

Enhance communication with businesses by creating a Business Advisory Committee, hosting the Mayor's Business Breakfasts, and participating in the Chamber Area Councils

Measures:
- *Implementation of key Business Advisory Committee recommendations*
- *Participant feedback from the Mayor's Business Breakfasts*
- *Survey results from Area Council members*

■ Neighborhood Business Revitalization Strategy

Develop a policy framework for city-wide neighborhood business initiatives which defines the City's role, identifies realistic outcomes, and spells out an action plan

Measure:
- *Approval of the neighborhood economic development strategy by City Council*

Respond to recommendations made in the Neighborhood Business Study conducted for the Hampshire Hills and Shannon Park area

Measure.
- *Prepare and successfully implement specific Key Business Unit action steps*

■ Public Safety Action Plans

Identify developed and under-developed business districts with public safety (or perceived public
safety) problems, and develop action plans to improve public safety in these areas

Measures:
- *Areas identified*
- *Action plans implemented*
- *New/retained investment in the areas*
- *Results of before/after survey of businesses on safety issues*

■ Workforce Development

Expand the JobLink Career Center (in partnership with other agencies) -- to provide a one-stop source for career planning, training and placement services to customers throughout the City, including residents in targeted neighborhoods

Establish a Community Workforce Development Plan that meets employer needs for a skilled workforce

Enhance recruitment and job placement efforts from targeted neighborhoods

Implement Welfare-to-Work program and re-design employment service delivery model in response to the Workforce Investment Act

Measures:
- *Compare actual performance with goals established in the JobLink Business Plan*
- *Approval of the workforce development plan by City Council*
- *Assess annually the change in the client base for recruitment and placement from the existing client base*
- *Successfully modify the service delivery model by meeting Welfare-to-Work program objectives for job placement*

■ Urban Economic Development Strategy

Re-visit and update the City's current five-year strategic plan in light of changing circumstances and new opportunities, specifically, adapt the framework of the Chamber Economic Development Strategic Plan and address the objectives of the Center City 2010 Plan

Measures:
- *Adoption by City Council of an* **Urban Economic Policy 2000** *by December 1999*
- *Incorporating action steps to be developed with the Chamber as part of their ten-year strategic plan for local economic sectors*
- *Developing state-local partnerships designated for implementing the plan*

■ Organization

Prepare an organizational plan and definition of required resources to carry out the City of Charlotte's economic development policies

Measure • *Approve staffing and resource allocation plan to carry out the ED program*

STRATEGIC INVESTMENTS

Plan and implement the necessary infrastructure investments to support local economic development.

■ Infrastructure

Regional Wastewater Agreements -- Develop additional wastewater treatment capacity through regional agreements

Measures:
- *Work out agreement with Cabarrus and Union counties for construction and operation of a wastewater treatment plant to be built in Union County and serving eastern Mecklenburg*
- *Increase total system capacity step-by-step over the next fifteen years, eventually reaching 11 million gallons per day at the new plant (about five percent of total Charlotte-Mecklenburg capacity) by 2015*

State-Shared Funding for Capital Investments -- Gain a commitment by the State to fund a percentage of those major local capital investments, in small and large cities, which result in revenue gains for the State

Measures:
- *Legislation adopted by the State agreeing to share in the cost of projects from which they derive revenue*

■ Transportation

Transit Planning -- Assure that *economic development considerations* are fully integrated with the corridor planning and land use initiatives that will be developed with implementation of the new county-wide rapid transit system

Measures:
- *Complete baseline report on corridor employment by January 1999*
- *Complete site-specific employment allocation estimates by April 1999*
- *Install a monitoring methodology to track employment growth in the corridors centers, and wedges by July 1999*

Airport Business Development -- Advance the airport's economic benefits to this region by developing the inter-modal concept linking air and rail, and working toward the addition of new air carriers and a new airport hotel

Measures:
- *Evaluation of the feasibility of an inter-model facility in conjunction with the airport and if the decision is go, carrying out the actions proposed*
- *Successful proposal for investor/operator to build a hotel on land adjacent to the airport*
- *Additional air carrier gates for new market entries*

■ Facilities

Arena -- work with the New Arena Committee to identify options and propose to City Council a plan for developing and financing an arena

Measures:
- *New Arena Committee reports its review of the Cameron Committee findings, by January 1999*
- *New Arena Committee reports to City Council with options for the cost, financing and location of an arena by July 1999*
- *Follow-up City Council's decision*

Carolina Theatre -- Frame policy options for City Council on the renovation or disposition of the former Carolina Theatre

Measures:
- *TBD*

URBAN INITIATIVES

Focus on key geographic areas of the city to aid the development, redevelopment, and competitiveness of the local economy

■ Center City

Coordinate several interrelated initiatives aimed at assuring the continued growth and vitality of the Center City and maintaining its economic role in the city and region These significant initiatives include

Center City 2010 Development Plan -- Coordinate with and participate in the development of a comprehensive 10-year plan to be prepared by the Charlotte Center City Partners

Measures:
- *Complete draft plan by September 1999*
- *Approve plan and begin implementation in 2000*

Convention Center Hotel -- Adopt a feasible public/private development proposal that maximizes the Convention Center's impact on the hospitality and tourism sector of our economy

Measures:
- *Contract approved by City Council*
- *Percentage increase in Convention Center bookings between 1998 and 2000*

Uptown Retail -- Work to ensure the success of the Taubman proposal for the Old Convention Center, and other private retail/entertainment projects under consideration elsewhere in the Center City

Measures:
- *Taubman exercises option to purchase the Old Convention Center in 2000*
- *Identify private sector partners and develop with them a plan by 2000, for private retail/entertainment in North Tryon area*

First Ward Redevelopment -- Continue site development and public infrastructure investments to promote a mix of new for-sale and rental housing and a revitalized neighborhood

Measures:
- *City-owned land used to develop business and housing opportunities with the private sector*
- *Capital improvements facilitate private investment*
- *"Neighborhood Quality of Life Index" improved*

Third Ward Redevelopment -- Coordinate necessary public improvements and services to facilitate development of housing and businesses in Third Ward and Gateway Village

Measures:
- *City-owned land used to develop business and housing opportunities with the private sector*
- *Capital improvements facilitate private investment*
- *"Neighborhood Quality of Life Index" improved*

Center City Police Presence -- Maintain an effective police presence in the uptown area, including appropriate facilities and staffing

Measures:
- *Location and lease arrangement secured for a facility that continues high visibility of the police, provides easy access for uptown citizens and serves the needs of*
  police staffing and vehicles

Trolley -- Implement plans for the vintage trolley as a catalyst for business development in the South Boulevard/Uptown rail corridor

Measures:
- *Project completed on schedule and on budget by 2001*
- *Increase in property values along the rail line corridor*

City-Within-A-City

Promote business and job growth through participation in the efforts of the Charlotte-Mecklenburg Development Corporation to develop a business park site

Measures:
- *Identify and acquire first business park site in 1999*
- *Develop and implement a plan for using federal grant funds in concert with CMDC and City economic development objectives on the Westside*

Investigate expansion of business incubators in CWAC

Measures:
- *Incubator request approved by City Council*
- *Number of new businesses created*

Promote neighborhood retail in Action Plan neighborhoods and Westover, Dalton Village, and Fairview Homes

Measures:
- *Westover plan approved by Council in 1999*
- *Develop three other retail redevelopments by 2000*

Business Corridor Revitalization

Implement the local facade and infrastructure grant programs supporting businesses in the corridors

Measures:
- *Ten grants made in the first year*

Area Strategy Plans

Set implementation priorities for the economic development initiatives contained in strategic plans for the Westside Strategy Area and Eastside Strategy Area

Measures:
- *Complete $10 million in capital improvements on the Westside*
- *Adopt the Eastside plan in June 1999 with a timetable for specific actions*

Rusk - CWAC

BECOMING CHARLOTTE, NOT ATLANTA

Balancing
a Strong Outside Game
with
a Strong Inside Game
- -
The Key to the Future of City Within A City and to World Class Regional Excellence

Prepared for
Charlotte City Council Annual Retreat
January 22, 1999

by
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**"If Charlotte achieves all
its plans,
in a generation's time
Charlotte,
not Atlanta,
will be the
Frankfurt-of-the-Americas.**

**This means that
Charlotte will be
not only a dominant
financial and business center,
but the wealthiest
- *and most equitable* –
urban society
in the Western Hemisphere."**

**Statement of David Rusk
to the Atlanta *Constitution/Journal***

Charlotte vs. Atlanta as Metro Areas – I

	Charlotte	Atlanta
1997 metro population	1,350,000	3,539,000
1950-97 metro growth	130%	278%
1950-90 urbanized population growth	223%	325%
1950-90 urbanized land growth	601%	977%
1950-90 urbanized land-to-population ratio	2.7 to 1	3.0 to 1
1950-90 density of new growth (persons/sq. mi.)	1,520 [redacted]	1,600
1990 cost-of-living index	93	104
1990 median family income	$38,873	$39,890
1990 poverty rate	8.9%	10.4%
1950-90 real growth in median family income	145%	192%

Charlotte vs. Atlanta as Metro Areas – II

	Charlotte	Atlanta
1970 housing segregation	66	82
1980 housing segregation	61	78
1990 housing segregation	53	68
1990 high school segregation	33	na
1970 economic segregation	34	na
1990 economic segregation	32	40
1980 black family income/ white family income	60%	54%
1990 black family income/ white family income	62%	57%
1990 pct of poor blacks in poor neighborhoods	54%	65%
1990 pct of poor whites in poor neighborhoods	10%	10%

Charlotte vs. Atlanta as Central Cities

	Charlotte	Atlanta
1997 population	516,000	402,000
Pct growth since 1960	+ 155%	- 17%
1950 city area (sq. mi.)	30	37
1960 city area (sq. mi.)	65	128
1997 city area (sq. mi.)	234	132
Pct of metro population growth captured by city from 1960-97	+ 48%	- 4%
1990 median family income	$41,278	$24,128
1990 poverty rate	10.0%	28.4%
1970 fair share poverty index	115	169
1990 fair share poverty index	113	273
Current credit rating (Moody's)	AAA	A1

Isn't Charlotte's City Within A City the equivalent of the city of Atlanta?

	CWAC	Atlanta
1990 area (sq. mi.)	60	132
1990 population	146,000	394,000
Change since 1970	- 42,000	- 103,000
Pct change since 1970	- 22%	- 21%
Pct Black	51%	67%
Poverty Rate (adjusted)	16%	28%
Poverty tracts (20%+) -1970	19	50
Poverty tracts (20%+) -1990	24	72
Hi poverty tracts (40%+) -1970	7	19
Hi poverty tracts (40%+) -1990	9	35

There is high correlation between concentration of poverty and City Within A City's Neighborhood Quality of Life Index.

CWAC QOL Index	Average Poverty Rate
Stable (24)	12%
Threatened (34)	25%
Fragile (15)	37%

Recommendation

Focus CWAC strategy on de-concentration of poverty

Grading Inside Game:

Rusk analysis of 34 exemplary urban community development corporations (CDCs) from 1970 to 1990

1. Poverty rates

Increased in 28 of 34 target areas

2. Local Household Income as Pct of Metro Household Income

Dropped in 30 of 34 target areas

3. Total Neighborhood Buying Power

Dropped –18% in 11 20-yr CDCs
Stagnant (+0%) in 23 10-yr CDCs

Trends in Neighborhood Buying Power In City Within A City (1970-90)

Mecklenburg County	+ 117%
City Within A City	+ 15%

27 of 45 tracts lost real buying power
Biggest losers

First Ward	-60%
Double Oaks/Fairview Homes	-45%
Biddleville	-34%
Greenville	-34%
Brookhills	-32%

Biggest winners

Third/Fourth Ward	+203%
Myers Park (tract 28)	+85%
Myers Park (tract 29.01)	+63%
Dilworth	+49%
Myers Park (tract 27)	+42%

To win the Inside Game,

a city must play and win

the Outside Game as well.

Key Outside Game Components

a. regional growth management

(help redirect market investment back into urban core by slowing suburban sprawl)

best practices: Portland, OR

b. regional fair share affordable housing

(help de-concentrate poor households from core, make city neighborhoods more attractive to middle class)

best practices: Montgomery County, MD

Statutory Comprehensive Land Use Planning

Best practices: state of Oregon/ Portland region

Approach: directly-elected regional government (Metro) develops overall plan with citizens, 3 counties, 24 munis; plan must meet state goals; municipalities must conform but administer local planning and zoning decisions

Progress: UGB in effect since 1979

1980s: urbanized area:
+14% population, +11% land

1995-2040: urbanized area:
+50% population,
+8% land (maximum)

What is Urban Growth Boundary? (Oregon-style)

1. UGB drawn for urban area

a. must accommodate 20 years of projected growth

1. clear designation of residential, commercial, industrial land to develop
2. specific plans for water, sewer, roads, etc
3. speedy, controversy-free, local approvals

b. "urban growth reserve" areas designated outside UGB for future study (years 20-50)

2. Outside UGB, land reserved for

a. exclusive farm use
exclusive forest use
recreation and wilderness lands

b. no zoning for urban development

c. no water, sewer, urban roads, etc.

Eight Reasons To Like Urban Growth Boundaries

1. Pro-industry: within UGBs, Oregon law guarantees new industries controversy-free, fast -track processing of all plans and state and local permits.

evidence: $13 billion in high tech investment in 1996

2. Pro-farming: outside UGBs, farmers buy new land at farmland, not potential sub-division, prices

evidence: Oregon Farm Bureau strong supporter of state law

3. Pro-redevelopment: by refocusing growth inward, UGBs promotes reinvestment in older communities.

evidence: Portland's Albina area: 1991: $1.4 billion; 1996: $2.6 billion

4. Pro-taxpayer: Higher density development saves taxpayer dollars for new roads, water and sewer lines, schools, fire stations, and other public facilities.

evidence: public facilities, services for mixed-use residential sub-division are half cost for convention subdivision

5. Pro-homebuyer: smaller lot sizes reduce housing prices through lower land costs and development fees.

evidence: UGB & Housing Rule reduced lot size by 1/3, helped Portland maintain most affordable housing on West Coast (1990: 96 index; 1997: 110 index)

6. Pro-environment: UGBs protect natural areas, Oregon's farmland.

evidence: Oregon's "exclusive farming use" zoning protects more farms than all farms covered by conservation easements in Eastern USA

7. Pro-energy conservation: controlling sprawl, UGBs reduce automobile dependence and gasoline consumption, promote public transportation

example: in 1995 bond issue for $445 million approved by tri-county voters for light rail system expansion

8. Pro-property rights: UGBs limit land speculation and overbuilding, protect existing residential and commercial property owners' investment

example: metro Portland's political math
major land owners: 100's
current home owners: 243,000

one result: Oregon voters rejected repeal of state land use law three times

Montgomery County, MD has the nation's most comprehensive, community-wide affordable housing strategy.

Montgomery County in 1970:

- **523,000 residents;**
- **6% minority;**
- **few low- and modest-income families;**
- **one of USA's ten wealthiest counties**

Montgomery County in 1990

- **757,000 residents;**
- **25% minority;**
- **almost 20% of school children from low- and modest-income families;**
- **still one of USA's ten wealthiest counties**

The key has been county's Moderately-Priced Dwelling Unit policy (MPDU).

Adopted as county ordinance in 1973 (governs 88% of county area)

Requires any housing development of 50+ units (homes, townhouses, apartments) to be

- **85% market rate**
- **10% "affordable" (i.e. sold or rented to persons at maximum 65% of median income)**
- **5% purchased by county's public housing authority.**

Builders get up to 22% density bonus.

Results
after 24 years:

1. 10,000 units of moderate income homes, townhouses, and apartments in high-cost market.

2. County housing authority owns over 1,100 scattered site individual units for "deep-subsidy" families.

a. so scattered that housing authority pays annual dues to over 200 homeowner associations in Montgomery County.

b. 2-6% assisted housing in 15 of 18 planning areas.

3. No adverse effect on resale values of market rate homes in mixed-income neighborhoods

What if
MPDU policy
had been in effect
in Charlotte/Mecklenburg
from 1970-90?

From 1970-90 there were
117,258 housing units built
in Charlotte/Mecklenburg.

An MPDU-type policy
would have yielded
a. about 6,000 "affordable" units,
and
b. about 3,000 "deep-subsidy" units
primarily in
new neighborhoods.

Recommended Goals To Establish Most Effective Housing Opportunity Program

1. adopt MPDU-type "inclusionary zoning" policy by
   a. Charlotte City Council (including for EPJ);

2. urge adoption of similar policies by
   b. Mecklenburg County Commission;
   c. by other area counties.

3. provide Charlotte Housing Authority (CHA) with broadest possible jurisdiction.

4. fund CHA to acquire 150 scattered site units per year (i.e. $10-15 million per year)
   a. HUD funds
   b. Innovative Housing Fund

5. expand Section 8 rent vouchers from HUD (possible extra support for metro demonstration?)

6. target poverty reduction in 9 high poverty neighborhoods by phasing out all larger, family-oriented public housing projects (e.g. Fairview Homes, Southside Homes, Earle Village, etc.)

7. seek to interest private developers in redeveloping large projects as mixed-income developments (reserving up to 10% for deep-subsidy households), or demolish projects.

8. strengthen city programs for anchoring and reattracting middle-class households to City within a City.

Transit Implementation

Transportation Governance Proposal

In 1994, the Transportation Study Committee of 100 proposed a regional cooperative governance system dependent upon interlocal agreements Through regional workshops, the Committee determined that interlocal agreements would allow a regional form of transit management that maintains as much local identity as possible The 2025 Integrated Transit/Land Use Plan refined the concept of interlocal agreements by specifying that a Metropolitan Transit Commission (MTC) would be developed to administer the Mecklenburg half-cent transit tax with provisions for expansion into surrounding counties

The Managers of the six Mecklenburg towns, the City of Charlotte, Mecklenburg County and Mooresville met on numerous occasions throughout the 2025 Integrated Transit/Land Use Plan process to develop an outline for the interlocal agreement Many compromises occurred during the managers' discussions The managers concluded that

1 the City of Charlotte should become the lead administrative agency for the newly proposed MTC,

2 Mecklenburg County should have a major role in the MTC because of the County's obligation to implement the half-cent sales tax and the significant amount of revenue it would generate,

3 the towns are considered extremely important to the success of the proposed transit alternatives because of land use roles

Therefore, all units of government in Mecklenburg were determined to have significant and diverse roles to play in administering the new regional transit system The major theme of the interlocal agreement provided for equal governmental representation on the MTC for planning and budgeting recommendations The County and the City were given ultimate approval authority

The managers agreed to present the attached interlocal agreement to their respective political bodies for their review and approval After making all mutually acceptable changes, the managers hope to have the agreement approved by the City of Charlotte, Mecklenburg County and as many of the towns as possible prior to February 1999

The following page outlines a general schedule for review and presentation

General schedule for review and presentation:

First week in January	Submit current draft plans to all elected officials
January 8	Mecklenburg County reviews the draft at the Commission Retreat
Mid-January	Towns review and approve the plan
January 21	City Council reviews the transit governance agreement at the Council Retreat
February 8	City Council approves the interlocal agreement followed by Mecklenburg County The Commission votes to levy the tax with collections to begin in April

Adoption of the governance plan depends on substantial agreement of all elected officials It is critical that the County Commission and the City of Charlotte agree on the document and it is strongly recommended that as many towns as possible concur prior to levying the tax Because of the logistical problems associated with revising and reviewing the documents, it is possible that the attached document will have changes recommended prior to the Council Retreat and ultimate approval

DRAFT **Transit Governance Interlocal Agreement**

1/5/99

I Purpose

Building on a ten-year regional transit planning process, the parties to this Agreement recently undertook an intensive six-month community effort to develop a regional transit/land-use plan for the future That process culminated in the production of the "2025 Integrated Transit/Land-Use Plan for Charlotte-Mecklenburg - July, 1998 "

Based, in part, on the 2025 Integrated Plan, and pursuant to Article 43 of Chapter 105 of the North Carolina General Statutes (Session Laws 1997, ch 417, sec 1), the Mecklenburg County Board of Commissioners called an advisory referendum on the levy of a one-half percent local sales and use tax (hereinafter "transit sales tax") for the purpose of financing public transit systems The voters of Mecklenburg County approved the measure on November 3, 1998

The 2025 Integrated Plan included a section on governance that called for the units of local government engaged in this regional effort to share responsibility and accountability for transit services under the following guiding principles

Provide for coordinated transit operations on a county-wide basis

Retain for the elected bodies the responsibility of approving long-range transit plans and the capital and operating programs that support these plans

Ensure that public involvement is a component

Assure that Town interests are represented

Be flexible and expandable so jurisdictions outside Mecklenburg County could become part of the system

Consistent with the guiding principles and other components of the 2025 Integrated Plan's governance recommendations, the parties have cooperatively developed this Interlocal Agreement to provide the relationships and mechanisms that will guide the planning, financing, and implementation of an effective, efficient, responsive, and accountable integrated regional transit system

II Authority

The parties to this Agreement derive their authority to provide transit services through this Interlocal Agreement from, *inter alia*, the following

Article 43 of Chapter 105 of the North Carolina General Statutes (Session Laws 1997, ch 417, sec 1 (Mecklenburg public transportation sales and use tax)),

N C G S 160A-460 *et seq* (Interlocal joint exercise of powers),

N C G S 160A-311 *et seq* (Municipal public enterprises), and

N C G S 153A-274 *et seq* (County public enterprises)

III Parties

Each of the following units of local government may become a party to this Agreement upon approval of its governing board

Mecklenburg County
City of Charlotte
Town of Cornelius
Town of Davidson
Town of Huntersville
Town of Matthews
Town of Mint Hill
Town of Pineville

The Towns of Cornelius, Davidson, Huntersville, Matthews, Mint Hill, and Pineville are referred to in this Agreement individually as "Town" and collectively as "Towns "

Other units of local government may become a party to this Agreement pursuant to section IX B

IV Metropolitan Transit Commission (MTC)

A Composition

A public body comprised of two representatives from each party to this Agreement One representative of each party shall be its mayor (chair of the county commission) or his/her designee who shall serve at the pleasure of the mayor (chair), and the other representative shall be the party's manager (administrator) or his/her designee who shall serve at the pleasure of the manager (administrator) The mayor (chair) or designee shall be a party's primary voting representative and the manager (administrator) or designee

shall be the alternate voting representative authorized to cast a vote in the absence of the primary voting representative

The MTC shall appoint or provide for the appointment of a minimum of three non-voting members representative of local governments from outside Mecklenburg County to ensure regional representation In addition, the MTC shall appoint or provide for the appointment of one non-voting representative of the North Carolina Department of Transportation and one non-voting representative of the South Carolina Department of Transportation

B Officers

The MTC shall choose from its members a chair and vice-chair

C Quorum

A representative from a majority of the voting membership of the MTC shall constitute a quorum

D Responsibilities

Work with the local Metropolitan Planning Organization (MPO) to develop the long-range transportation plan (including public transportation)

Establish priorities for two-year operating and five-year capital programs

Review and recommend two-year transit operating programs and second-year program adjustments

Review and recommend five-year capital programs

Conduct public involvement programs to provide community input on proposed five-year capital and two-year operating programs

V Citizens Transit Advisory Group (CTAG)

A Composition, Terms, and Officers

An advisory body comprised of two members appointed by the Mecklenburg County Board of Commissioners, two members appointed by the Charlotte City Council, one member appointed by the Charlotte-Mecklenburg School Board, one member appointed by each Town that is a party to this Agreement, one member appointed by the Chair of the Mecklenburg County Board of Commissioners who shall serve as co-chair, and one

member appointed by the Mayor of the City of Charlotte who shall serve as co-chair A publicly elected office holder shall not serve on the CTAG

In order to ensure stability and continuity, the members of the CTAG shall serve two-year staggered terms that begin on July 1 and end on June 30 The initial terms of the appointees of the Mecklenburg County Board of Commissioners, the Charlotte City Council, the Charlotte-Mecklenburg School Board and the Mayor of the City of Charlotte shall end on June 30, 2001 The initial terms of the appointees of the Towns and the Chair of the Mecklenburg County Board of Commissioners shall end on June 30, 2002

B Responsibilities

Review the chief transit officials' proposed two-year operating programs and second-year program adjustments and five-year capital programs and make recommendations to the MTC

Provide such other advisory functions as directed by the MTC

Conduct the mandatory governance review pursuant to section IX C

In addition to the CTAG, the MTC may establish and appoint other standing and/or *ad hoc* advisory committees as it deems appropriate

VI Administration

A Chief Transit Official

The chief transit official shall be a City of Charlotte employee appointed by the Charlotte City Manager with the concurrence of the Mecklenburg County Manager and a MTC member representative (not a Charlotte or Mecklenburg County representative) selected by the MTC

The chief transit official is subject to review and evaluation by the Charlotte City Manager with input from the Mecklenburg County Manager and an MTC member representative (not a Charlotte or Mecklenburg County representative) selected by the MTC

The chief transit official's salary and benefits shall be established by the Charlotte City Manager

The Charlotte City Manager has the authority to remove the chief transit official In addition, if a majority of the total voting membership of the MTC approves a vote of "no confidence," the City Manager shall remove or reassign the chief transit official

B Organization and Staffing

Except as may otherwise be provided for in a two-year operating program, transit activities will be organized and staffed by the City of Charlotte

C Responsibilities

The chief transit official shall develop and submit to the MTC

(1) proposed two-year transit operating programs and second-year program adjustments,

(2) proposed five-year capital programs,

(3) annual assessments of service and other plan items, and

(4) list of priorities for MTC prioritization and approval

The chief transit official shall carry out the approved operating and capital programs

VII Programs and Budgets

A Five-year capital program and two-year operating program

Five-year capital programs are developed and approved annually and cover a rolling five-year term

Two-year operating programs are developed and approved biennially Adjustments and revisions may be made in the second year of a program The two-year operating program cycle will coincide with the City of Charlotte's two-year budget cycle

Capital and operating programs shall specify those transit service investments in the Towns that demonstrate that such investments are at a level that equals or exceed each Town's theoretical local transit sales tax share

B Annual process and schedule for development and recommendation of capital and operating programs

By December 15 of 1999 and each year thereafter, the chief transit official shall submit to the MTC a proposed capital program and operating program/second-year adjustments (The initial operating program shall be a one-year program so as to synchronize the two-year operating program cycle with the City of Charlotte's two-year budget cycle)

The MTC review and recommendation process shall provide opportunities for input from the parties to this agreement and the public

By March 31 of 2000 and each year thereafter, the MTC shall approve a recommended capital program and operating program/second-year adjustments (The initial operating program shall be a one-year program so as to synchronize the two-year operating program cycle with the City of Charlotte's two-year budget cycle)

The Mecklenburg County Board of Commissioners and the Charlotte City Council must each approve the capital program and operating program/second-year adjustments After the initial five-year capital program is approved, approval for subsequent five-year capital programs may be withheld only as to changes to the immediately preceding capital program and the new fifth year Upon approval by both governing boards, the Charlotte City Council shall fund the programs through budget and/or project ordinances

In the event that the Charlotte City Council and the Mecklenburg County Board of Commissioners do not both approve the recommended capital and/or operating programs/second-year adjustments, the Mayor of the City of Charlotte shall appoint three Charlotte City Council Members and the Chair of the Mecklenburg County Board of Commissioners shall appoint three County Commissioners to a conference committee which shall, within 60 days of appointment, develop and recommend to the Charlotte City Council and the Mecklenburg County Board of Commissioners a conference committee program report

Any Town dissatisfied with the recommendation of the MTC or the capital and operating programs approved by the Mecklenburg County Board of Commissions and the Charlotte City Council may withdraw from this Agreement pursuant to Section X D

C Budget and Project Ordinances

Through its budget ordinance, each party shall appropriate for transfer to the City of Charlotte

(1) transit sales tax receipts,
(2) transit fares, fees, rents, or other charges,
(3) maintenance of effort obligation,
(4) State and federal transit grants and other intergovernmental transit related transfers,
(5) other transit appropriations

The City of Charlotte shall fund and implement approved capital and operating programs through budget, project, and other ordinances, resolutions, contracts, and other legislative and administrative measures

In the event that the Charlotte City Council and Mecklenburg County Board of Commissions have not both approved the capital and operating programs prior to the Charlotte City Council's adoption of a budget ordinance, the City Council shall

appropriate only such funds that are sufficient to service previously approved debt and to fund the maintenance and operation of previously approved levels of transit service If the Charlotte City Council and Mecklenburg County Board of Commissioners approve a capital and operating program after the Charlotte City Council adopts a budget ordinance, the Charlotte City Council shall adopt such budget ordinance amendments and/or project ordinances as are necessary to fully fund the approved capital and operating programs

VIII Financing

A Transit Sales Tax Revenues

Beginning in FY00, each party eligible for receipt of a share of the transit sales tax shall annually appropriate all transit sales tax revenues for transfer to the City of Charlotte Quarterly sales tax receipts shall be transferred to the City of Charlotte within five business days of receipt of the distribution

B Fares, Fees, Rents, and other Charges

Beginning in FY00, and except as may otherwise be provided in the two-year operating program, each party receiving transit fares, fees, rents and other transit charges shall annually appropriate same for transfer to the City of Charlotte Such funds shall be transferred to the City of Charlotte by the tenth day of the month immediately following the month during which such funds are received

C Maintenance of Effort[1]

Beginning in FY00, each party shall annually appropriate for transfer to the City of Charlotte a "maintenance of effort" amount equal to its agreed upon FY98 "local expenditure for transit services" Maintenance of effort obligations shall be transferred to the City of Charlotte no later than December 31 of each fiscal year The City of Charlotte shall annually supplement all other sources of transit revenue with an appropriation equal to its agreed upon FY98 "local expenditure for transit services "

"Local expenditure for transit services" shall mean all capital and operating expenditures for transit services other than (1) those funded through State or federal grants, (2) other intergovernmental transfers, or (3) from fares, fees, rents, or other service charges

[1] N C G S 105-510(b) provides, in part, that "[e]very unit of government shall use the net proceeds to supplement and not to supplant or replace existing funds or other resources for public transportation systems "

D State and Federal Grants and other Intergovernmental Transfers

Beginning in FY00, and except as may otherwise be provided in the five-year capital or two-year operating programs, each party receiving other transit revenues such as State and federal grants and other intergovernmental transfers shall annually appropriate same for transfer to the City of Charlotte Such funds shall be transferred to the City of Charlotte within five business days of receipt

E Other Appropriations

Any party may appropriate and transfer other funds to the City of Charlotte for identified activities

F Debt

All transit debt shall be issued in accordance with approved five-year capital programs

G Annual Reporting

The chief transit officer shall provide annual financial reports

IX Miscellaneous

A Interim Program and Budget

Since, pursuant to Section VII of this Agreement, the MTC's first capital and operating program cycle will lead to budgetary actions that fund the programs in FY01, the MTC may recommend interim transit programs to be funded in FY00 Interim transit programs recommended by the MTC must be approved by the Mecklenburg County Board of Commissioners and the Charlotte City Council prior to any action by the City of Charlotte to fund such interim programs

Notwithstanding the preceding paragraph, the Charlotte City Council may fully fund through its FY00 budget the FY00 capital and operating components of the City's approved five-year transit program and requested Mecklenburg County Human Services transportation activities

B Addition of other units of local government

Other units of local government may become party to this Agreement upon approval of all parties to this Agreement

C Mandatory Governance Review

During FY04, the CTAG shall undertake a comprehensive governance review which shall consider the effectiveness of this agreement and the governance structure established hereunder as well as other possible governance structures including, but not limited to, various forms of a transit authority The governance review shall be conducted in a manner that ensures public and transit stakeholder input and participation No later than June 30, 2004, the CTAG shall provide the governing boards of the parties to this agreement with its report and recommendations

D Except as modified or limited herein, and to the fullest extent authorized by law, the City of Charlotte and its officers, agents, and employees shall, with respect to public transit, have the jurisdiction, powers, functions, public enterprises, rights, privileges, and immunities of the other parties to this agreement

X Effective Date, Term, Amendment, and Withdrawal

A Effective Date

This Agreement shall become effective upon approval by the Charlotte City Council and Mecklenburg County Board of Commissioners, and the adoption by the Mecklenburg County Board of Commissioners of a resolution levying the transit sales tax

B Term

This Agreement shall continue until the later of (1) June 30, 2024, or (2) the end of the fiscal year that expires at least five years but no more than six years after the maturation date of latest maturing debt issued pursuant to an approved five-year capital program

C Amendment

This Agreement may be amended or terminated by authorized agreement of all parties hereto other than those that have withdrawn from the MTC

D Town Withdrawal

Any Town may withdraw from this Agreement effective at the start of a fiscal year (July 1) by giving written notice to the other parties to this Agreement no later than the end of the immediately preceding fiscal year (June 30)
Except as provided herein, upon withdrawal from this agreement, a Town (1) shall lose all rights under this Agreement, and (2) shall, except as provided in the following paragraph, no longer be obligated to appropriate and transfer to the City of Charlotte transit sales tax receipts, transit fares, fees, rents, or other charges, maintenance of effort obligation, or State and federal grants and other intergovernmental transfers

Upon withdrawal from this Agreement, a Town shall be liable for, and shall annually appropriate and transfer to the City of Charlotte no later than December 31 of each fiscal year, a sum of money determined by multiplying (1) the current fiscal year costs of servicing all debt issued pursuant to this Agreement while the Town was a party to this Agreement (including any refunding debt) by (2) the Town's per capita percentage basis among Mecklenburg County and the other units of local government in Mecklenburg County that receive a distribution of the transit sales and use tax

A town that has withdrawn may regain its status as a full party to this Agreement upon approval of its governing board effective on the first date of the fiscal year beginning immediately following the governing board's approval

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(Cltbelt2)

January 14, 1999
Preliminary Analysis of I-485 Beltway Tolls

David T Hartgen, UNC Charlotte DTH

The following is a preliminary assessment of the revenue that might be obtained from tolling the Charlotte Outer Belt, I-485

Assumptions

1 Assume 2015 as an "average" future year, 20 year tolling life, 5 % interest
2 Future traffic for the Belt was determined from UNC Charlotte's regional travel model This model was recently calibrated for the 8-county area and used to evaluate several local corridor road proposals
3 Typical tolling rates are taken from recent surveys of the toll roads They average 3.5 cents/mile for cars, and 13 cents/mile for trucks. Truck traffic is about 10 percent of the total. So the weighted toll would be about 4 45 cents/mile

Results

1. 2015 Belt travel (vehicle-miles) is about **4.427 million VMT/day**, or about **12 percent** of Mecklenburg county travel, 37 039 VMT/day
2 Approximate annual revenue is about **$71. 9 Million** (365*4.427*0 0445), on a completed belt For partial completion, less revenue
3 The present worth of a 20-year revenue stream of $71 9 M at 5% interest is about **$541 million** This is the maximum that could be "borrowed" at such terms
4 A more detailed analysis should subtract out the administrative costs of toll administration, increase traffic gradually over time (do present worth for each year of life), include the toll costs in the traffic forecasts, estimate truck shares more accurately, test other toll rates, include other possible connectors such as the Gastonia Bypass connection to the Airport, and determine just how much the total and local/state share of the Belt would cost Other funding mechanisms such as GARVEE bonds, traditional bonds, credit lines, state infrastructure banks, or others should also be considered

Strategic Overview

Charlotte is entering an era of significant transportation opportunities:

- **A long-range rapid transit plan** -- with a newly-dedicated revenue stream -- will create new mobility choices over the next 25 years The same revenue source also means funding for immediate transit service improvements in City Council's "Five-Year Transportation Plan "

- **New road bonds** will expedite pressing needs on State roads in the city Ongoing local road improvements are being supplemented by newly-authorized funds for sidewalk construction and by developing plans for bicycle facilities and for pedestrian safety

- **Major state projects,** including the I-485 outer belt, the Independence expressway, the widening of I-77 -- as well as the State's plans for expanded inter-city passenger rail service -- will impact the city and region's transportation network in the coming years

- **The airport** -- our regional gateway to the global economy -- looks to a new runway (and expanded air service) and also envisions a multimodal center that could connect air, rail, bus, passenger and freight transportation to points all over the world

The agenda also has some formidable challenges:

- **Finding enough funds to carry out the full local roads program** -- balancing demands of growth with competing capital priorities and our community's resource capacity,

- **Setting regional transportation priorities** -- partnering with regional governments to develop a common data base and a collaborative approach to meet common needs,

- **Balancing State funding formulas** -- advocating increased State revenue for road-building through bonds, and using a cost-benefit approach to meet urgent needs in urban areas,

- **Meeting more stringent federal air quality standards** -- addressing the factors contributing to pollution (auto to industrial) and making the difficult decisions to pay for better air,

- **Reaching a formal accord on governance for the Metropolitan Transit Commission**-- can we build on the unique early consensus to finalize the agreements?

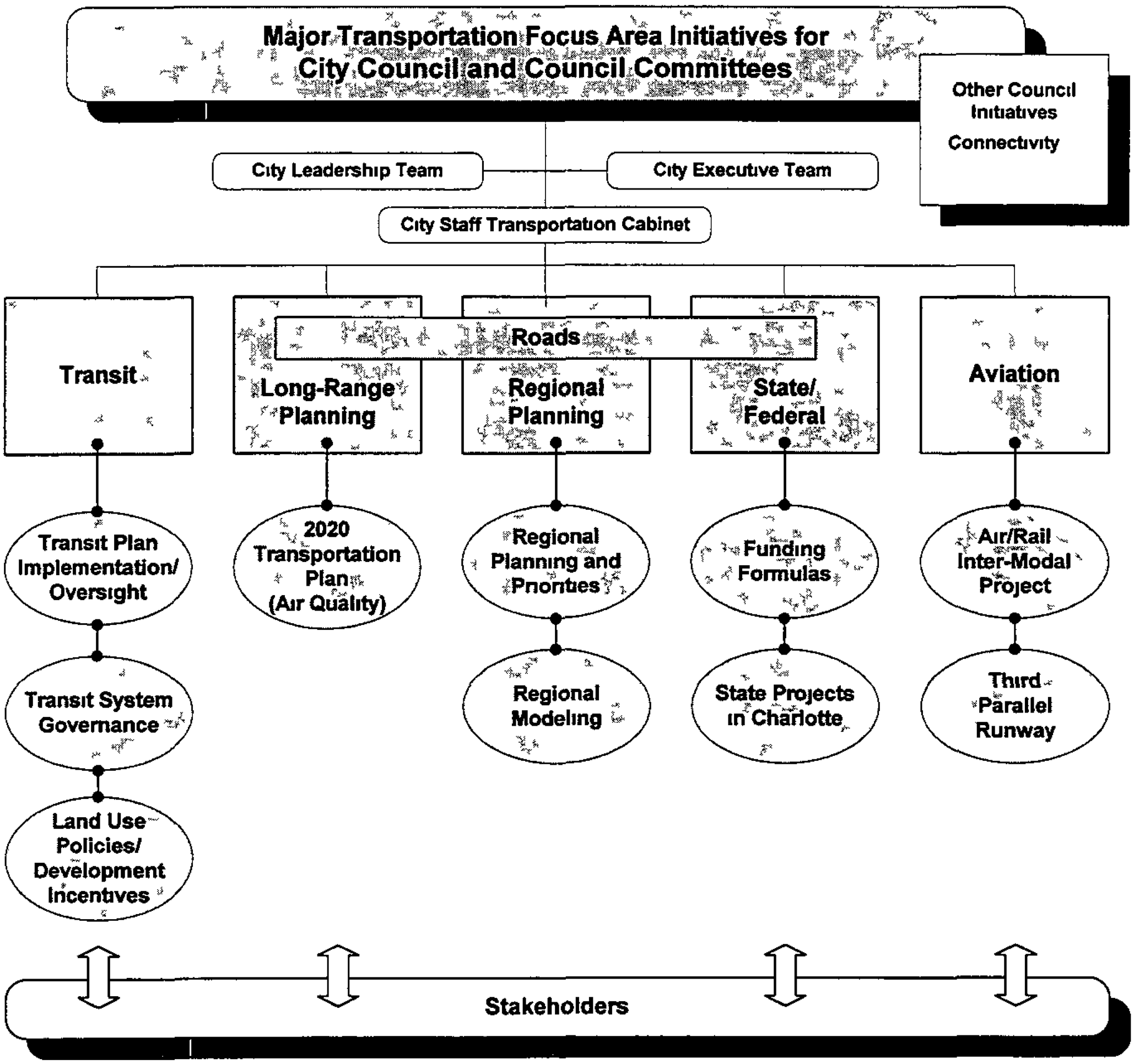
- **Making and carrying out the tough land use decisions to support transit** -- developing a workable policy framework for transit-oriented development

Key Initiatives

The **Transportation Focus Area** is concerned with the major decisions on roads, transit, airport, rail, and related land use that will affect Charlotte in the next century The key initiatives address

- the implementation and policy linkages of **major City plans**, primarily the 2025 Transit/Land Use Plan, 2020 Transportation Plan, and the Airport 21st Century Development Program, and
- **intergovernmental issues** of concern to Charlotte, such as county-wide transit governance, regional transportation priorities, state funding forumulas, and federal air quality standards

These issues involve working with stakeholders, refining the issues at a staff level, and bringing them to City Council for discussion and decision



2025 TRANSIT/LAND USE PLAN IMPLEMENTATION

■ **Move ahead with key actions that enable the Metropolitan Transit Commission to achieve early and effective results once it is formally organized.**

A specific work program is being developed for the first six months of 1999 (prior to the expected hiring of the Chief Transit Official) that includes these major activities

1 Coordinate with area technical staff, to begin identifying County and Town service needs and developing an information base for County and Town service planning

2 Continue implementation, and accelerate where feasible, the City's Five-Year Transportation Program

3 Prepare an interim transit work plan and budget that can be addressed by the Metropolitan Transit Commission upon its formation and be incorporated in the City and County's budget cycle for adoption in June, 1999

4 Develop and initiate an ongoing series of briefings for officials and information sessions for citizens

Note: These major areas are interrelated with Transit Governance (Initiative 2) and Land Use Policies (Initiative 3)

Measures:

- Market research results indicating public opinion on the progress of implementing transit
- Adoptions of a comprehensive work plan and budget for FY2000 (addressing transit and land use) by City Council and County Commission
- Implementation of Five-year Plan initiatives

TRANSIT SYSTEM GOVERNANCE

■ **Build on the preliminary consensus of the Mecklenburg Managers to achieve a final accord among the City, County and Towns on a system of governance.**

1 Managers complete review of the draft interlocal agreement (December 1998)

2 Governing bodies review and adopt interlocal agreement creating the Metropolitan Transit Commission (January 1999)

3 Mecklenburg Board of County Commissioners votes to levy half-cent sales tax, actual sales tax collection begins in April (January)

4 Metropolitan Transit Commission is organized and holds initial meeting (March)

5 MTC recommends interim plan and budget, initiates recruitment process for Chief Transit Official, and considers appointment of ex officio members and advisory groups (April-May)

6 City Council and County Commission separately adopt the recommended interim plan and budget (June)

Measures:

- *A formal interlocal agreement among all eight entities for a county-wide mass transit system consistent with the principles established in the* 2025 Integrated Transit and Land Use Plan
- *Appointment of a Metropolitan Transit Commission (MTC) that facilitates continued cooperation while assuring meaningful representation of each jurisdiction's interests*
- *Establish an effective organizational structure within City government for staffing the MTC*

LAND USE POLICIES / DEVELOPMENT INCENTIVES

■ **Adopt a policy framework within which individual corridor land use plans are prepared to support transit-oriented development.**

1 Consultant (LDR) completes evaluation of the *General Development Policies* and the compatibility of local ordinances with the transit strategy, and outlining proposed policy changes (December 1998)

2 Intergovernmental staff task force reviews recommendations (January-April 1999)

3 Public meetings are held throughout the county for input and review (April-May)

4 City Council and County Commission adopt the updated and revised *General Development Policies* (June)

5 Planning staff sets up monitoring system to record land use decisions and development activity, to determine effectiveness of policies in achieving transit-related goals (September)

6 Corridor land use plans begin in Fall 1999 and Spring 2000

Measures:

- *Participation of all eight jurisdictions in a process leading to a revision of the* General Development Policies *that results in measures promoting transit-oriented development*

- *A record of key land use decisions by elected bodies that are consistent with the* General Development Policies *and individual corridor plans*

- *A pattern of private investment that shifts office and multi-family development to the corridors at a percentage meeting or exceeding benchmark targets in the* 2025 Plan

LONG-RANGE PLANNING

2020 TRANSPORTATION PLAN

■ **Adopt a plan for Charlotte's transportation system that updates project priorities through 2020 and which meets local needs and federal air quality standards.**

1 Draft Plan and Air Quality Determination sent out for local, state and public review and comment (January 1999)

2 MPO adoption of the plan and determination of conformity

3 Federal approval by the U S Department of Transportation (DOT) and the U S Environmental Protection Agency (EPA) (March)

4 Lay out process for preparation of the "2025 Transportation Plan," which will be the basis for the next air quality conformity determination required in 2002

Measure: • *Creation of a federally approved plan that meets standards and spells out any remedial measures required to receive federal funding*

REGIONAL PLANNING

Regional Planning and Priorities

■ **Initiate a series of steps to assess opportunities for better regional transportation planning and to improve coordination and collaboration among existing planning bodies. Build on past cooperative action (such as the Committee of 100) to find ways for setting a shared regional transportation agenda.**

1 Mecklenburg-Union MPO Chair begins dialogue with chairs of the other three MPOs in this region, to open communication channels and determine common interests Information from the MPO dialogues is included in setting the agenda for the workshops described below (January 1999)

2 City staff meet with Centralina COG and Chamber staff to discuss the $500,000 state grant received by Centralina for regional planning Develop proposal for use of the state grant to conduct semi-annual workshops and conferences that will enable regional officials to develop a common information base about issues and mutual understanding about options and courses of action The intended result is dialogue and consensus on action initiatives, rather than on an organizational apparatus

3 Planning Staff develops a proposed workshop format

4 The proposal is discussed with the managers of Charlotte, Mecklenburg County, and the Towns in Mecklenburg, the managers of ring cities and counties, and elected officials of Mecklenburg and surrounding counties The Carolina Urban Coalition is used for initial plan review

5 Centralina and the Chamber implement the workshops The goal is to identify common objectives, share information, and develop a consensus on needed actions

Measure • *An ongoing means for discussing and setting regional priorities that helps assure Charlotte's continued economic vitality and also meets the emerging transportation needs of surrounding towns and counties*

Regional Modeling

■ **Take a leadership role in developing a regional information modeling system for transportation planning.**

1 Expert peer review of current modeling methodology and procedures

2 City staff develop an action plan

3 City staff meet with appropriate NCDOT officials and staff to discuss action plan

4 Charlotte Chamber and Centralina COG are involved in reviewing a regional joint modeling plan

5 Regional MPOs instruct the Technical Coordinating Committees to pursue

6 Multi-county task force of TCC representatives (from the four MPOs) meets to gain consensus and staff commitments for participation

7 Task Force prepares and issues RFP

8 A plan for MPO and elected official involvement is developed and executed

9 Evaluate results of RFP for MPO consideration, develop funding plan, and develop proposals for federal, state, and local funding (By July 2000)

10 Time frame for actual modeling dependent on study results

Measure:
- *A pattern of collaboration and communication among participating jurisdictions leading to the development of a single regional model that can become the basis for long-term regional action on transportation needs*

STATE/FEDERAL

Funding Formulas

- **Build coalitions to advocate that the State increase funding for roadway programs beyond annual appropriations by issuing debt through bond referenda. This additional revenue could help urban areas meet urgent needs more quickly than through existing funding formulas.**

1 Presentation to Council Transportation Committee on state funding practices related to road construction, maintenance and transit

2 Regional and statewide debate will be conducted by the Mayor and with City Council's involvement with such organization as the Carolinas Urban Coalition, the Centralina COG, the Southern Piedmont Political Caucus, the NC Coalition for Public Transit, the coalition of large city mayors, Mecklenburg-Union MPO, and NCDOT

3 Options prepared and discussed with the Council Transportation Committee, City Council, Board of County Commissioners, and the Mecklenburg legislative delegation Preliminary review indicates several possible alternatives, including
   a Ask NCDOT to review and realign the current ten "highway" divisions to reflect subareas and urban influence areas within the state
   b Propose additional statewide transportation (roadway) bond referenda to address construction and upgrading deficiencies
   c Propose a revised distribution formula to change or eliminate weight assigned to uncompleted roadway mileage and/or lump sum amount and substitute measure of demand, such as vehicle miles of travel

4 Carry out strategy through legislative efforts

Measures:
- *Adoption of recommendations by regional and statewide organizations for alternative methods of increased funding*
- *Increase in State funding for roadway programs beyond current allocations from the NC equity formula*

State Projects in Charlotte

■ **Strengthen working relations between the City and State to assure adequate local input on State projects being built in Charlotte.**

1 Presentation to Council Transportation Committee and City Council on the TIP process (December 1999)

2 Staff critiques the draft TIP and makes a recommendation to City Council (January)

3 City Council instructs MPO representative (January)

4 Mecklenburg-Union MPO comments on the draft TIP

5 Any additional Council concerns regarding road funding/prioritization are communicated to local Board member and the NC Secretary of Transportation

Measures

- *Quarterly reports issued that summarize meetings between top-level State DOT and Charlotte DOT staff*
- *A cooperative approach and regular joint planning that assures the impact of State projects is consistent with local goals*
- *Percentage of State projects consistent with local goals*

AVIATION

Air/Rail Inter-Modal Project

■ **Advance the concept of a rail inter-modal facility in conjunction with the airport.**

1 Develop the concept with Norfolk-Southern of a rail/truck inter-modal facility on the Airport to replace their inter-modal facility now located on North Tryon Street

2 Identify the potential tenants and seek use commitments, prepare cost estimates, and develop a financial plan to support construction and operation of the inter-modal infrastructure

3 Seek City Council approval to execute a financial plan and construct the facility

4 Assemble and acquire land to support the facility

Measures:

- *Investigation and evaluation of the concept s feasibility and (if the decision is go ') carrying out the actions proposed*
- *Local economy becomes more competitive in moving air cargo and rail freight*
- *Percentage increase in air cargo and rail freight*

Third Parallel Runway

- **Expand air service capacity at Charlotte/Douglas International Airport by completing construction of a third parallel runway over the next five years.**

1. The Record of Decision (ROD) on the Environmental Impact Statement (EIS) will be issued in June 1999
2. Airlines approve financing plan for runway (Majority-in-Interest vote)
3. Issue bonds and acquire land
4. City Council approves financial plan, and awards contracts for design and construction
5. Complete construction of runway

Measures:

- *Complete land acquisition and begin design within three years after securing necessary commitments from the EPA FAA and airlines and approval of City Council for a financing plan*
- *Additional capacity accommodates increased flights and air service*

ROD'S HANDOUT FOR WHERE WE ARE NOW + WILL BE ON FEB 1 WORKSHOP.

Housing Issues Evaluation Model

Round Table Stakeholders:

- *Land Development*
- *Home Builders*
- *Apartment Association*
- *REBIC*
- *Finance*
- *Non-Profit Housing*
- *Housing Support Services*
- *Charlotte Chamber*
- *Building Standards*
- *Subdivision / Engineering*
- *Zoning / Private Practice*
- *Planning Commission*
- *Other ?*

Assess Existing Conditions

- Housing Market Conditions
- Highlight Needs & Gaps
- Outline Choices & Obstacles
- Key Issues

Highlight Choices and Obstacles

- Clarify Housing Expectations
- Define Gaps / Obstacles
- Outline Choices

Define Community Housing Strategy

- Select Action Choices
- Define who does What?
- Recommend Actions & Schedules

Final Report to Council

Choose priority Action

Get Organized : *Study Charge*

- Existing Mandates Analyzed
- Housing Problem Defined
- Stakeholders Selected
- Agreement on Process and Support Resources (Facilitation)

Housing Stakeholders Round Table

* * * * * * * *

Report to Council

Report to Council

Report to Council

CWAC Committee Monitors (to receive monthly status reports)

Charlotte Chamber s Strategy for Economic Development

CWAC Committee and Council Action

Months 1 Feb 2 3 4 5 June 6

1/15/99

ABOUT DAVID RUSK

"David Rusk is the hottest urban expert in the nation today," the Baltimore Sun commented in reviewing *Baltimore Unbound* The American Planning Association called Rusk's first book, *Cities without Suburbs*, "must reading " *Cities without Suburbs*, the Congressional quarterly wrote, "has virtually become the Bible of the regionalism movement " Commissioned by the Twentieth Century Fund, a third Book, *Inside Game/Outside Game*, will be published by the Brookings Institution Press in Spring 1999

Rusk combines strong analytical skills with practical political experience He is a former federal official, New Mexico legislator (1975-77) and mayor of Albuquerque (1977-81), the USA's 37th largest city

Rusk is now an independent consultant on urban and suburban policy Since 1993 he has spoken and consulted in over ninety US communities He has testified before legislative bodies in Connecticut, Virginia, Michigan, Minnesota, Ohio, and Pennsylvania

Abroad, Rusk has lectured on urban problems in Berlin, Stuttgart, and Frankfurt, Germany, Amsterdam, Utrecht, and Delft in The Netherlands, and Toronto, Canada In October 1997 he served as an advisor to the government of South Africa on metropolitan governance in Johannesburg, Capetown, and Durban

Rusk attended the University of California at Berkeley, graduating Phi Beta Kappa as the outstanding undergraduate student in economics (1962) From 1963-68 he was a full-time civil rights and anti-poverty worker with Washington Urban League He then entered the U S Department of Labor, serving as the Manpower Administration's legislative and program development director In 1971 he and his wife, the former Delcia Bence (DEL-syah BEN-say) of Buenos Aires, Argentina, moved to Albuquerque, where they raised their three children They now live in Washington, D C

City Within A City

Focus Area Update

Draft

Strategic Overview

City Within A City (CWAC) is the City of Charlotte's comprehensive approach to meeting the economic development and quality of life issues in its older urban neighborhoods and business districts Since its inception in 1991, CWAC has provided a framework for discussion and implementation of appropriate strategies to accomplish community redevelopment goals in inner-city neighborhoods

While some successes have been achieved in CWAC to improve quality of life and economic opportunities in neighborhoods, more still remains to be done Some of the critical challenges facing CWAC are

- Unemployment is up to 5 times higher in CWAC neighborhoods than other Charlotte neighborhoods and one out of six families live below the poverty level Only 31% of CWAC adults over 25 years of age have high school diplomas Preparing people for employment and placing people in jobs where they can become self-sufficient is important to creating neighborhood stability

- A number of inner-city business corridors and business districts are deteriorating and some businesses are moving away Providing incentives for business retention and creating an environment for new investments, which will bring needed goods, services and job opportunities to these areas and surrounding neighborhoods are important to CWAC revitalization

- Violent crime in CWAC is twice as high as the rest of the City of Charlotte and juvenile crime is 30% higher Preventing the next crime is not just an enforcement issue, but it is a community issue that requires the involvement of neighborhoods in deterring crime and finding solutions to reduce crime

- Although overall housing deterioration in CWAC is considered low, 18 neighborhoods are regarded as having low housing quality Approximately $100 million is needed to bring CWAC neighborhoods up to City's subdivision ordinance standards

- Important keys to a neighborhood's long term sustainability are effective neighborhood organizations and responsive government Twenty-four neighborhoods in CWAC have low organization capacity or did not respond to the 1997 Quality of Life Index survey Also, the City has prepared action plans for nine neighborhoods to address social, crime, economic opportunity and physical development issues The complex problems of neighborhoods require City government to work with the neighborhoods and a multitude of other partners to find long term solutions to neighborhood problems

City Within A City neighborhoods, like all of Charlotte, are changing rapidly Also, neighborhoods adjacent to CWAC are beginning to feel the positive and negative impacts of Charlotte's rapid growth These neighborhoods also compete for public resources to sustain and revitalize their communities It is imperative to Charlotte's long term quality of life and economic prosperity that we are successful with the CWAC strategy to not only address the 73 neighborhoods, but to prepare for the neighborhoods outside of CWAC showing early signs of decline

Mission and Guiding Principles of City Within A City

The mission of the CWAC initiative is

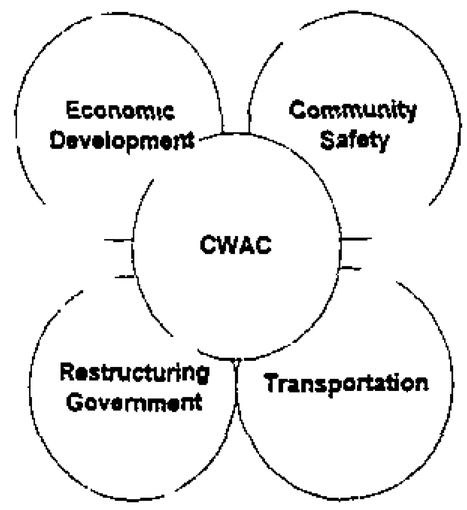
"To sustain economic development and a high quality of life in Charlotte's urban neighborhoods and business areas."

To achieve this mission, the following key principles will guide the operating philosophy of City Within A City

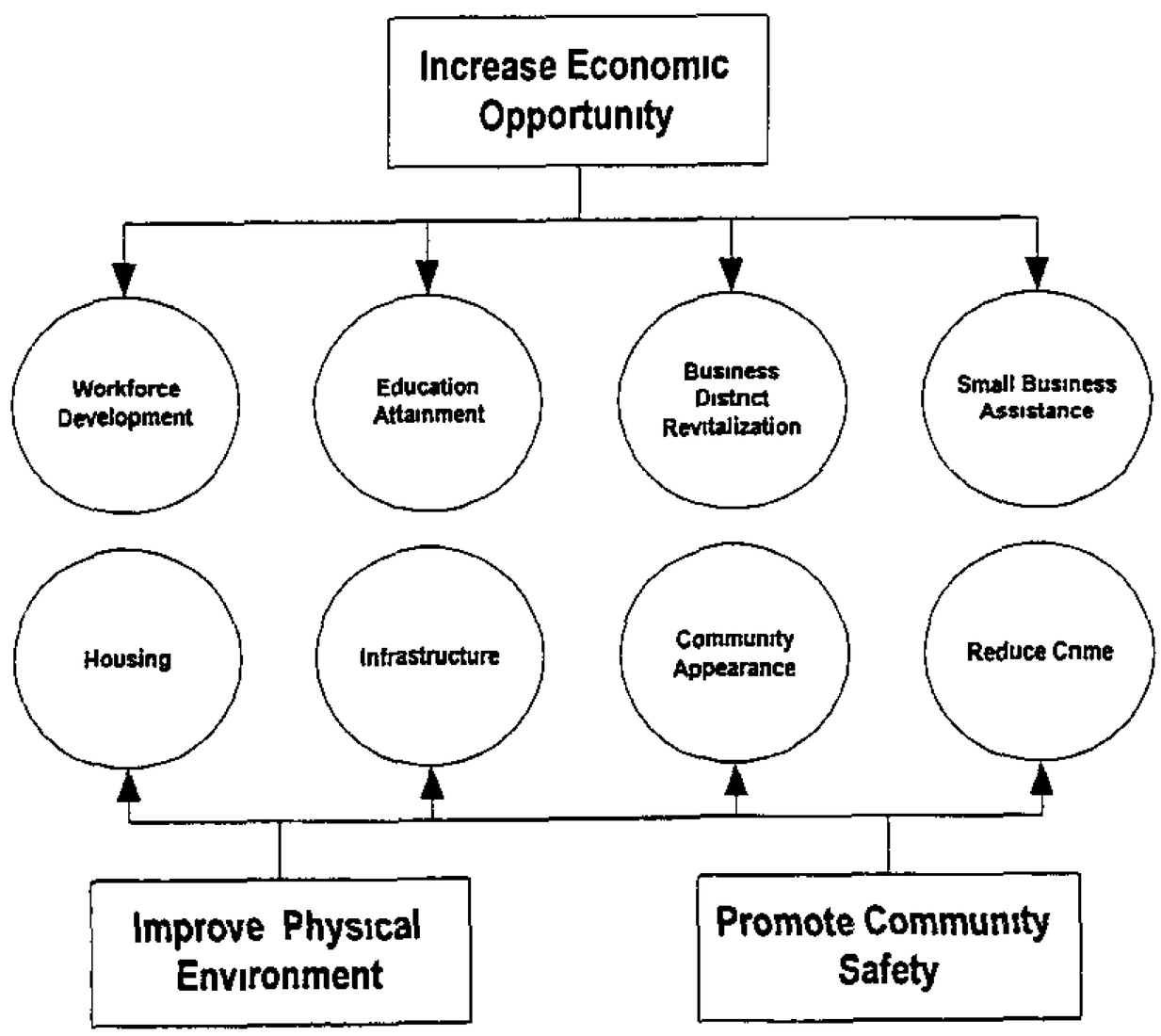
Neighborhoods	working with neighborhoods and business districts as customers and finding ways to address their goals and needs,
Empowerment	supporting individuals, families and organizations to enable them to take charge of their lives and make positive changes in their neighborhoods and business areas,
Capacity Building	providing information and training necessary for CWAC residents and neighborhood organizations to identify their own problems and implement sustainable solutions,
Sustainability	making neighborhood improvements that will have long term impacts and help stabilize individuals, families and neighborhoods,
Partnerships	recruiting key players throughout the community to participate in the CWAC initiative and identifying their roles, responsibilities and accountabilities,
Collaborative Service Delivery	creating teams composed of key partners (residents, government, non-profits and private sector) to focus service delivery on targeted neighborhoods and business areas to make an impact, and
Neighborhood Accountability	requiring neighborhoods and business districts to take an active role in identifying problems, developing possible solutions and assisting in the implementation of solutions

CWAC Goals, Objectives and Initiatives

The City Within A City Focus Area success is heavily dependent upon the success of the other focus areas - Community Safety, Economic Development, Transportation and Restructuring Government The strategies in the CWAC focus area draw heavily upon the strategies in the other focus areas



For CWAC, three goals and eight strategic areas are identified to improve the quality of life in inner-city neighborhoods and business areas The diagram below depicts the goal areas and key strategies



The CWAC goals, objectives and measures are outlined on the following pages

INCREASE ECONOMIC OPPORTUNITY IN CITY WITHIN A CITY

Promote Economic Opportunities in City Within A City neighborhoods and business areas. Support schools system in meeting community educational objectives

■ Workforce Development

Consolidate job training and job development resources of public-sector agencies to meet employers' needs for a skilled workforce

Measures:
- *Approval of the Workforce Development Plan by City Council*
- *Established a baseline to measure increase job placements as the result of consolidation*

Collaborations: Charlotte-Mecklenburg Community College, Charlotte-Mecklenburg School System, Employment Security Commission, N C Division of Vocational Rehabilitation, Mecklenburg County Department of Social Services, Enterprise Communities, City of Charlotte, Mecklenburg County and the Workforce Development Board

Expand the JobLink Career Center (in partnership with other agencies) to provide one-stop career planning, training and placement services to residents of the City and County

Measures:
- *Open two new full service JobLink Centers to serve the needs of the City of Charlotte*
- *Increase training and placement training services to residents in the city*

Collaborations: Charlotte-Mecklenburg Community College, Charlotte-Mecklenburg School System, Employment Security Commission, Goodwill Industries, N C Division of Vocational Rehabilitation, Mecklenburg County Department of Social Services, Enterprise Communities, City of Charlotte, Mecklenburg County and the Workforce Development Board

■ Education Attainment

Partner with the Charlotte-Mecklenburg Schools, Central Piedmont Community College and other education institutions to develop strategies and incentives to improve student academic success, high school graduation rates, and vocational program participation for CWAC neighborhoods

Measures:
- *Agreement on information, strategies and incentives*
- *Decrease in the number of drop-outs*
- *Increase in the student passing competency exams*
- *Increase graduation rate and vocation participation for CWAC students*

Collaborations: Charlotte-Mecklenburg Schools, Central Piedmont Community College, Johnson C University, UNCC, Queens, Cities in Schools, City of Charlotte,

Mecklenburg County, Local Community Development Corporations and neighborhood organizations

Business District Revitalization

Expand business and job growth in targeted business corridors and districts

Measures:
- *Complete Phase I of the CWAC Business Park development (Site Control)*
- *Approve Westover Shopping Center Development*
- *Develop economic development plans for three CWAC retail developments*
- *Complete Phase II of the business corridor investment study*
- *Complete infrastructure improvements in targeted corridors (North Davidson, West Boulevard and Beatties Ford Road/Trade Street)*
- *Increase the number of businesses and jobs in distressed business districts to provide needed consumer business services and job opportunities in CWAC*

Collaborations: Charlotte-Mecklenburg Development Corporation, Local Community Development Corporations, City of Charlotte, Business Associations and Business Owners

Small Business Assistance

Provide technical and financial assistance to small businesses willing to locate, expand and employ residents within CWAC neighborhoods

Measures:
- *Increase number of small business service contacts*
- *Market State Enterprise Zone Programs*
- *Develop formal Brownfields redevelopment program*
- *Provide 20 CWAC equity loans annually*
- *Complete 10 facade and infrastructure grants annually*
- *Increase the number of viable businesses in CWAC neighborhoods*

Collaborations: Chamber of Commerce, Business Associations, Business Owners, Enterprise Communities, N C Department of Commerce and City of Charlotte

PROMOTE COMMUNITY SAFETY

Reduce Crime and Increase the Perception of Safety in CWAC neighborhoods.

■ Reduce Crime and Increase the Perception of Safety

Develop neighborhood based crime reduction action plans in neighborhoods and business areas with identified crime problems

Measures·
- *Number of action plans developed and implemented*
- *Reduction of crime and victimization in the target neighborhoods*

Collaborations: Government agencies, neighborhood organizations, business organization, community non-profit organizations and neighborhood residents

Continue to support juvenile crime prevention efforts such as Right Moves for Youth, the Police Athletic League, Child Development Community Policing, and Summoning the Village

Measures:
- *Number of initiatives with active City involvement*

Collaborations. Charlotte-Mecklenburg Schools, Mental Health Associations, Department of Social Services, Other public and private service providers and citizens

Reduce the number of nuisance locations in neighborhoods and business corridors through a variety of problem solving initiatives

Measures:
- *Implementation of Nuisance Remedy program in Weed and Seed target neighborhoods*
- *Number of nuisances abated through Nuisance Remedy program ABC initiatives, and Community Problem Oriented Policing projects*

Collaborations: Neighborhood Organizations, Business Organizations and neighborhood residents

Develop strategies to build neighborhoods and business district capacity and accountability through training and technical assistance

Measures:
- *Development and delivery of problems solving training for neighborhoods*
- *Number of neighborhood associations started with City assistance and the number of neighborhoods engaged in problem solving activities*

Collaborations: City government and entire community

Implement the neighborhood Action Team concept in designated neighborhoods and business districts

Measures:
- *Setting objectives and development of work plans for each Neighborhood Action Team*
- *Improvement in the Quality of Life Index rating in the target neighborhood*

Collaborations: City government, neighborhoods and business district organizations and CWAC residents

IMPROVE THE PHYSICAL ENVIRONMENT IN CITY WITHIN A CITY

Strengthen City Within A City neighborhoods. Improve and expand housing opportunities in City Within A City neighborhoods. Identify and prioritize the physical improvements and facility needs of City Within A City.

■ Housing

Update the housing strategy plan to review current housing policies and strategies, use of public sector housing funds and explore new and creative ways to meet housing needs for low and moderate-income residents

Measures.
- *Implementation of the housing strategic plan that provides for the preservation of the housing stock expands the supply of low and moderate-income housing and supports family housing support services*
- *Reduction in the percentage of deteriorated housing in CWAC*
- *Increase in the number of low and moderate income housing units*
- *Increase the percentage of home ownership in nine targeted CWAC neighborhoods*

Collaborations· Charlotte-Mecklenburg Housing Partnership, Local Community Development Corporations, Financial Institutions, Enterprise Foundation, Habitat for Humanity and City of Charlotte

Develop strategies to ensure middle income housing remains affordable in the community

Measures:
- *Development of a middle income housing strategy*
- *Retention and growth of middle income housing within the City*

Collaborations· Homebuilders Association, Apartment Association, Financial institutions, City of Charlotte, Mecklenburg County and Charlotte-Mecklenburg Planning Commission

■ Infrastructure

Implement improvements to streets, parks, sidewalks and public facilities to sustain growth and development

Measures:
- *Number of neighborhood improvement areas completed with infrastructure built (roads, sidewalks, curb and gutters and landscaping) meeting the City s minimum subdivision standards*
- *Completion of a cost/benefit study that evaluates the impact of infrastructure improvements on residential neighborhoods*

Collaborations: City of Charlotte, Neighborhood Organizations, Business Organizations, local Community Development Corporations and neighborhood residents

Prioritized the next phase of Neighborhood Improvement neighborhoods to be funded through a potential bond referendum

Measures:
- *Identification of new target neighborhoods*
- *Approval of bonds for Neighborhood Improvement Program*

Collaborations: Neighborhood Organizations, Business Organizations, local Community Development Corporations and neighborhood residents

Improve transportation system in CWAC neighborhoods to provide access to jobs, shopping and recreation

Measures
- *Expansion of EZ Rider services to the northeast and west side*
- *Expansion of bus services pursuant to the Transit Plan*
- *Development of baseline data for ridership that meets the needs of CWAC residents*
- *Development of baseline data for ridership that meet the needs of CWAC residents*

Collaborations City of Charlotte, Neighborhood Organizations, Business Organizations, Local Community Development Corporations and neighborhood residents

■ Community Appearance

Provide training to help CWAC residents improve their neighborhoods through home maintenance and repair, neighborhood clean up and basic landscaping techniques

Measures:
- *Provide training and assistance to CWAC residents on how to maintain their homes and yards*
- *Number of neighborhood clean-ups*
- *Improve neighborhood appearance as measurer in the Quality of Life Index*

Collaborations: Neighborhood Organizations, Business Organizations, local Community Development Corporations and neighborhood residents

Evaluating Success

Measuring results is challenging Programmatic goals are often in conflict, or the objectives that those programs set out to achieve are not always quantifiable Nevertheless, sound performance measures are the mainstay of government accountability and play a vital role in ensuring that government programs and services are provided efficiently and effectively The City of Charlotte will demonstrate its accountability by increasing its emphasis on achieving program outcomes

The Neighborhood Quality of Life Assessment will serve as the benchmark for assessing the success of the City Within A City initiatives Every two years we will, in collaboration with community residents, examine the twenty-two (22) variables of neighborhood change, which address social, crime, physical and economic dimensions We will evaluate the quality, effectiveness, results and benefits (outcomes) of city services This assessment will also be used to establish future neighborhood priorities

Additionally, the City will engage the community in citizen participation exercises to receive feedback on the success of CWAC as a community strategy These exercises will provide qualitative input to the more quantitative Quality of Life Index

City of Charlotte
Financial Information
1999-2004

Following is the budget and financial information to guide Council's discussion of operating and capital budget information, including

- Goals for the FY2000-FY2001 Two-Year Operating Budget and the FY2000-2004 Capital Investment Plan,
- The financial projections for FY2000-2004, including the General, Debt Service, and Convention Center,
- Upcoming budgetary issues for the budget, and
- Policy questions that guide the development of the operating budget

Goals for the FY2000-FY2001 Operating Budget and the FY2000-2004 Capital Investment Plan

Goal Statements:

1 *Align resources with Council priorities*

2 *Improve service quality*

3 *Provide competitive compensation benefits and working conditions in order to recruit and retain good employees*

4 *Generate financial capacity for capital investments*

Key Initiatives

1. Align resources with Council priorities.

A Impact Council's focus areas through the two-year operating budget and the five-year Capital Investment Plan

- Community Safety
- Transportation
- Economic Development
- City Within A City
- Restructuring Government

B Impact the Mayor's and Council's high priority areas from the December 1998 and January 1999 retreats

- Transportation Plan
- Transit Plan
- Westside Strategy Plan
- Community Oriented Policing
- State Roads Strategy
- Business Retention Strategy and Action Plan
- Court System Expansion
- Corridor Plan
- Neighborhood Business Revitalization Strategy and Action Plan
- Housing Strategic Plan
- Planning for Economic Development Strategic Plan and Center City Plan

2. Improve service quality.

A Use *competition* and *benchmarking* to provide the lowest unit cost with the best service to the customer

B Use *process improvement* to eliminate unnecessary steps and reduce costs of service delivery

C Invest in *technology* to reduce personnel costs, improve processes and improve customer services whenever possible

3 Provide competitive compensation, benefits and working conditions in order to recruit and retain good employees

A Review the Public Safety Pay Plan to determine the need for any changes

B Assess the Broadbanding pay system, especially the labor and trades components, to determine the need for any recommended changes

C Review the condition of City facilities to determine whether modifications will improve efficiency, productivity and employee morale

4. Generate financial capacity for capital investments.

A Provide the capacity for additional capital investment from within the existing revenue stream

B Evaluate capital requests through the upcoming Capital Needs process, including additional

- Neighborhood Improvements
- Transportation Needs
- City Facilities
- Cultural Facilities

CITY OF CHARLOTTE

FINANCIAL PROJECTIONS
1999 – 2003

This document and its attachments provide an overview of the financial projections for the General Fund for fiscal years 1999 through 2003 as well as information related to the general government and Convention Center debt capacity A brief general background and summary are presented below Richard Martin, Finance Key Business Executive, will be making a presentation of these projections and providing additional information and explanation

BACKGROUND. In the late 1980's and early 1990's the City experienced a substantial reduction in the growth of revenues This negative trend was primarily the result of State actions, the impact of the City-County sales tax distribution formula and a slow-down in real estate development within the City In the last several years, these trends have reversed and the revenue outlook has become more positive The State has un-frozen the utility franchise tax, annexation has brought about significant growth, and property values have soared due to the longest and largest building boom in our region's history Pertaining to expenditures, the City's Restructuring Government Program (including competition/privatization efforts) has reduced expenses over the last several years However, now that the shift in resources to public safety has been made, we expect fewer reductions in expenditures over the next five years

PROJECTIONS. The attached projections provide an analysis of the General Fund, general government debt capacity and Convention Center debt capacity In developing these projections the FY99 budget, revised to reflect the latest forecasts, was used as the "base year " In addition to the projections, the following pages outline the assumptions on which the projections are based

General Fund

The overall projections for FY99 through FY03 are approximately $36 5 million more favorable than the projections made in FY98 This improvement is primarily attributable to expected improvement in property tax, sales tax and utility franchise tax growth These increases are the result of a strong economic environment and annexation However, not withstanding these improvements, the projections still reflect an $8 0 million shortfall for FY02 and FY03

- Council's current policy is to maintain a fund balance in the General Fund of 10% of the budget As of June 30, 1998 the unrestricted fund balance was $44 million or 15% of the FY99 budget Therefore, approximately $14 million is available for use on one-time projects/programs

General Government Debt Capacity

Strong revenue growth in the past several years has provided the City with substantial debt capacity over the next several years The most recent modeling of our general government debt fund reflects estimated additional debt capacity of $60 million for tourist/tourist-related facilities and between $295 million and $330 million for general government capital

Convention Center Debt Capacity

The Convention Center Tax Fund, which accounts for the prepared food and beverage tax and the occupancy tax, is used to pay for debt service, marketing and the deficit (50%) for the Convention Center Several improvement/maximization projects have been identified including Trolley expansion, a Convention Center hotel, parking, and land acquisition Revenues for this fund have been strong and more than adequate to cover current and future identified expansion costs

CONCLUSION. The current forecast is more favorable than in the past However, changes in the assumptions on which these projections are based would have an impact on these projections

General Fund
Revenues and Expenditures
(In Millions)

		FY99 Projections			
	1999	2000	2001	2002	2003
Revenues:					
Property Taxes	$149 6	$156 9	$161 6	$166 4	$171 4
Sales Tax	35 0	35 7	37 2	37 9	41 0
Utility Franchise	23 5	24 2	24 9	25 7	26 4
Police Services	7 7	6 6	6 6	5 0	5 0
Other Revenues	59 0	59 5	61 2	62 7	64 8
Total Revenues	274 8	282 9	291 5	297 7	308 6
Expenditures:					
Public Safety	154 9	163 9	168 1	178 9	183 6
Solid Waste Services	28 7	29 1	29 8	30 4	31 1
Transportation	11 0	11 7	12 0	12 6	13 2
Engineering and Property Management	17 4	17 6	18 1	18 7	19 2
General Government	36 6	36 5	37 5	38 6	39 8
Community Planning and Development	12 5	12 9	13 2	13 6	14 0
Debt Service Payments	11 7	9 4	10 0	10 3	10 3
Total Expenditures	272 8	281 1	288 7	303 1	311.2
1999 PROJECTION - EXCESS (SHORTFALL)	$ 2 0	$ 1 8	$ 2 8	$ (5 4)	$ (2 6)

Projections are based on assumptions identified on the following two pages Changes in these assumptions would have an impact on these projections

General Fund
Financial Projections
Detailed Assumptions
FY00-FY03

General
Base Year - FY99 Budget has been revised to reflect latest forecasts

Revenues
Assessed value increase of 3% per year for FY00 through FY03

Sales tax revenue based on increasing retail sales between 3 75% and 4 5% and adjusted for changes in County tax rates

Utility franchise tax revenue increase of 3% each year (FY99 revenue estimate increased over budget due to strong year end results)

No change in major programs or agreements with the County

Other revenue increase of 3% each year

Annexation Reflects FY00 annexation ($450 million in assessed value)

Expenditures
Service levels remain unchanged

Vacancy rate of 1% for FY00 through FY03

Salary and wage increases based on public safety plan for police and fire Increases for general pay plan employees of 4 2% each year for FY00 through FY03

Employee benefit increases as follows

- Social Security - No change in rate
- Retirement - No change in rates
- Health Insurance - Increase of 8% for FY00 and 6% each year for FY01 through FY03

Increase in goods and services of 1% each year for FY00 through FY03

No impact for future competitive bidding/privatization

Includes $7 5 million for technology in FY99 and $6 5 million each year for FY00 through FY03

Budgetary Issues
in the Upcoming Two-Year Budget Cycle

The first year of a two-year budget cycle traditionally focuses more on the operating budget, while the second year focuses on the capital budget Anticipated issues in the upcoming operating budget include

- Compensation within the Public Safety and broadbanding pay plans
- Police workload issues in community policing, Animal Control, communications, investigations, and traffic enforcement
- Consideration of a Sixth Fire Battalion to decrease response times and improve effectiveness
- Review of options to improve bulky item trash collection
- Positions to implement the November 1998 bond projects, the costs of which was included in project estimates approved by Council in the FY99 budget
- Implementation of the transit planning process
- Evaluation of maintenance standards of City facilities
- Further investments in technology remain a priority within the organization
- Surface conditions of City streets
- Implementation of recommendations from the Cultural Action Plan

Capital Investment Plan

Capital Investment Plan
Program Policies

City Council's Capital Investment Plan policies are as follows

1 To evaluate capital project requests according to the following priorities

1st Priority	Retrofit Existing Facilities
2nd Priority	Replacement of Existing Facilities
3rd Priority	Expansion of Existing Facilities
4th Priority	New Facilities

2 To prioritize capital project funding to comply with federal and state mandates

3 To continue a capital plan which meets the highest priority needs

4 To ensure that existing infrastructure is maintained and replaced

5 To provide for some new capital projects to help meet the highest priority community growth needs

6 To provide a balanced capital plan which will not fund all identified needs, but will fund projects in a variety of program areas

7 To ensure that the Capital Investment Plan will be the platform for economic development in the community

8 Preservation of the existing tax base is a fundamental principle for City capital investment decision-making

9 The City will continue to form partnerships with citizens and businesses to leverage public dollars making this a community of choice for living, working and leisure activities

10 Neighborhoods are the foundation of the community, a reinvestment program focusing on all neighborhoods should be an emphasis in a comprehensive capital investment strategy

Capital Investment Plan
Financial Policies

City Council's Capital Investment Plan financial policies are as follows

1. **General government debt policies:**

   - Diversify revenue sources dedicated to capital formation and debt service

   - Maintain a balanced mix of financing strategies for funding capital projects without an excessive reliance on any one source Examples of financing strategies include

     - ➡ Pay-As-You-Go Funding
     - ➡ Grants
     - ➡ Debt

   - Provide for issuance of additional debt at reasonable time intervals without increasing taxes, and timed in such a way as to avoid erratic impacts on tax rate changes

   - Maintain the highest credit ratings by scheduling and issuing debt that sustains reasonable ratios (e g , percent of outstanding debt to assessed value)

2. **The dedication of specific revenue to the capital plan will be maintained in the Municipal Debt Service Fund. In FY99, the specific revenues dedicated to the Municipal Debt Service Fund include·**

   - 7 ¼¢ of the property tax rate

   - A portion of the City's proceeds from Occupancy Tax

   - Investment (interest) income

   - ½¢ Sales Tax authorized in January 1987

   - Other/miscellaneous revenues including a portion of the intangibles tax, ABC profits, beer and wine license revenues, a contribution from Mecklenburg County for its share of debt cost for the new Charlotte-Mecklenburg Government Center, and a contribution from the General Fund for the municipal facilities lease-purchase transaction

3. **Municipal Debt Service Fund Balance will be maintained at an adequate level to cover debt costs.**

   - The ratio of debt service fund balance to actual debt service costs will approximate 50%

4. **Pay-As-You-Go Tax Fund will be used in conjunction with long-term debt financing to finance capital projects.**

5. **Asset sales will be dedicated to the Capital Investment Plan. The retirement of any outstanding debt on sold assets will be the first priority of sales proceeds.**

6. **Enterprise Funds' capital plans will be established on a self-sustaining basis (Water and Sewer, Airport, and Storm Water).**

   - Water and Sewer and Airport capital projects are financed from revenues generated from user fees and charges

   - The Water/Sewer rate study assumes maintenance of debt service coverage as required in Revenue Bond financing documents

   - Storm Water is scheduled to become a self-sustaining Enterprise Fund in FY01, at which time it will rely solely on Storm Water fees and charges

Upcoming Budgetary Issues in the FY2000-2004 Capital Investment Plan

Potential capital projects impacting the next two year budget include

- Expansion of the Police/Fire Academy
- Dalton Village
- Land Purchase for the Charlotte-Mecklenburg Development Corporation
- Additional Neighborhood Improvement Bonds
- The Carolina Theatre
- Eastside Strategy Plan

Capital projects potentially impacting the latter three years of the capital budget include

- Sports and Entertainment facilities
- Housing
- Upfit or relocation of the City's central maintenance yard
- Replacement of the City's surplus property and auction facility

General Government
Debt Capacity

Background

The City Council has adopted financial policies that maintain a balanced mix of financing strategies for funding capital projects without excessive reliance on one particular source These policies include maintaining a stable tax rate, earning the highest rating possible on bonded debt, using multiple revenue sources for funding debt service, and maintaining a fund balance position equal to no less than 50% of projected annual debt service

Sources of Revenue

The Debt Service Fund has been set up to provide dedicated revenue sources to pay for the general government capital needs of the City A portion of property taxes (6 7¢), sales taxes, intangible reimbursement, ABC board revenue, beer and wine license revenue, and occupancy taxes (used only for tourist and tourist related facilities) are dedicated to fund debt on capital projects A sinking fund debt model is updated annually to estimate the amount of future debt the revenue stream can support Strong revenue growth over the last several years as well as high interest earnings has provided the City with a significant amount of debt capacity for the next several years

Debt Capacity

For this presentation we have developed two debt capacity scenarios Both scenarios assume that future revenues from the occupancy tax will only be used to support debt for tourist or tourist related projects Occupancy taxes are restricted by law for that use

Future debt capacity is primarily impacted by and sensitive to the following assumptions

- Property tax growth (annexation, vehicle values, and business personal property)
- Other revenue growth (sales tax and occupancy tax)
- Increased interest income
- Continued transfer of 1¢ property tax from the Storm Water Fund to Debt Service
- Bond sales tied to cash flow needs
- Refunding of debt (at lower interest rates)

General Government
Debt Capacity

Scenario One produces $60 million in tourist and tourist related debt capacity and $270 million in general government debt capacity for a total of $330 million over the 5-year program

Scenario Two produces $60 million in tourist and tourist related debt capacity and $210 million in general government debt capacity for a total of $270 million, plus $5 million per year (FY00-FY04) in pay-as-you-go capital

General Government Debt Capacity
1999-2003

Scenario #1

Year	Capacity (in millions)	Type
1999	$ -	
2000	60	Tourist/Tourist Related
2001	135	General Government
2002	-	
2003	135	General Government
Total	$330	

Scenario #2

Year	Capacity (in millions)	Type
1999	$ -	
2000	60	Tourist/Tourist Related
2001	105	General Government
2002	-	
2003	105	General Government
Subtotal	$270	
Pay-As-You-Go*	25	General Government
Grand Total	$295	

Assumptions No changes in current debt policies or revenues dedicated to the Debt Service Fund
Revenue assumptions used are the same as in the General Fund analysis
*$5 million per year - FY00-FY04

Convention Center
Debt Capacity

History

In March 1989, Mecklenburg County levied an increase in the occupancy tax of 3% and an initial levy of 1% on prepared food and beverages

Revenues for these taxes can only be used for the payment of debt service, promotions, operating expenses and capital improvement for the Convention Center

In 1990 the City developed a financial plan for the construction of a new convention center

Debt was issued in 1991 for a new Convention Center

Total debt service to be paid on the Convention Center is $338 million

Council amended its Convention Center financial plan in 1994 to increase promotion spending to 15% of net tax revenues split 70/30 between the Charlotte Convention and Visitors Bureau and the Coliseum and Convention Center Authority In addition, Council agreed to fund 50% of any Convention Center operating deficit and provide a promotions incentive plan to both the CCVB and the Authority

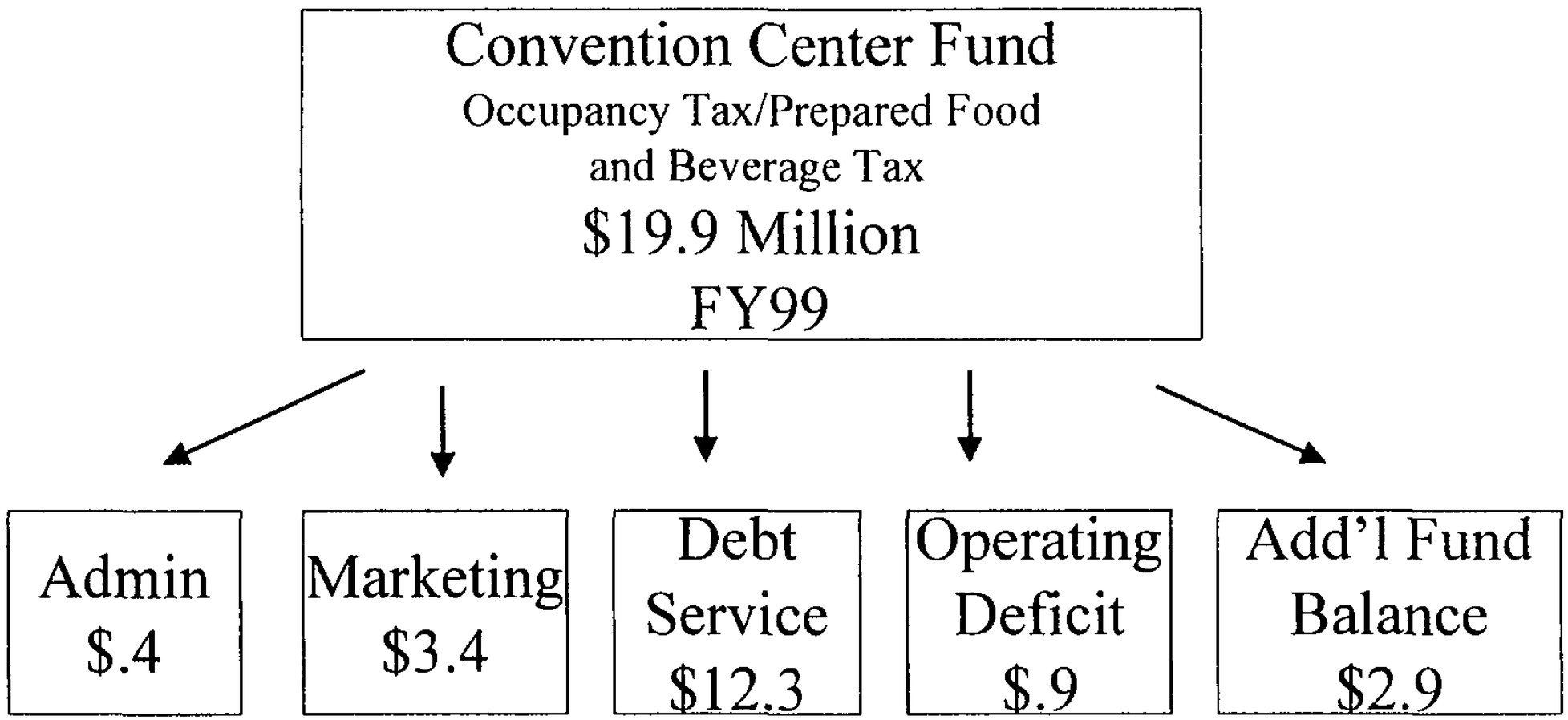
Financing Plan

There are several Convention Center related capital projects that are currently in various stages of consideration by Council, totaling $41 4 million Based on a financing model which we have developed for the Convention Center Revenue Fund, we have determined that future revenues coupled with the current fund balance ($29 4 million) are more than adequate to pay current and future debt service on the original Convention Center debt, pay future debt service on the above referenced projects, and to meet our City obligation for operating subsidy and promotions

Continuing Council's current policy to fund Convention Center capital needs with debt will also ensure the financial strength to fund future capital needs As previously presented to Council by The Strategic Advisory Group, the Convention Center debt model suggests that the taxes (2nd 3% occupancy tax, prepared food and beverage tax) can provide funding for Convention Center expansion Phase I and Phase II in 2008 and 2015 respectively

Convention Center Related Projects

Trolley	$ 7 9 Million
ABC Land	$ 7 8 Million
Scott Buick Land	$ 8 4 Million
Staging Area	$ 1 3 Million
Hotel/Parking	$16 0 Million
Total	$41 4 Million



NOTES (In Millions) Administration Fee 3% of Prepared Food & Beverage Tax Marketing Distribution Base-CCVB(70%) and Authority (30%), Incentive shared 50%/50%, Deficit City Share 50%

Convention Center

City of Charlotte

Comparison of Convention Center Fund Balance

FY1999-2004 (In Millions)

	Scenario One	Scenario Two	Scenario Three
1998	$29.5*	$29.5*	$29.5*
1999	33.1	33.1	33.1
2000	37.6	33.9	17.8
2001	42.9	35.4	20.0
2002	49.6	37.9	23.4
2003	57.5	41.6	27.9
2004	66.7	46.4	33.5

* Fund Balance before the purchase of the Scott Land for $8.6 million.

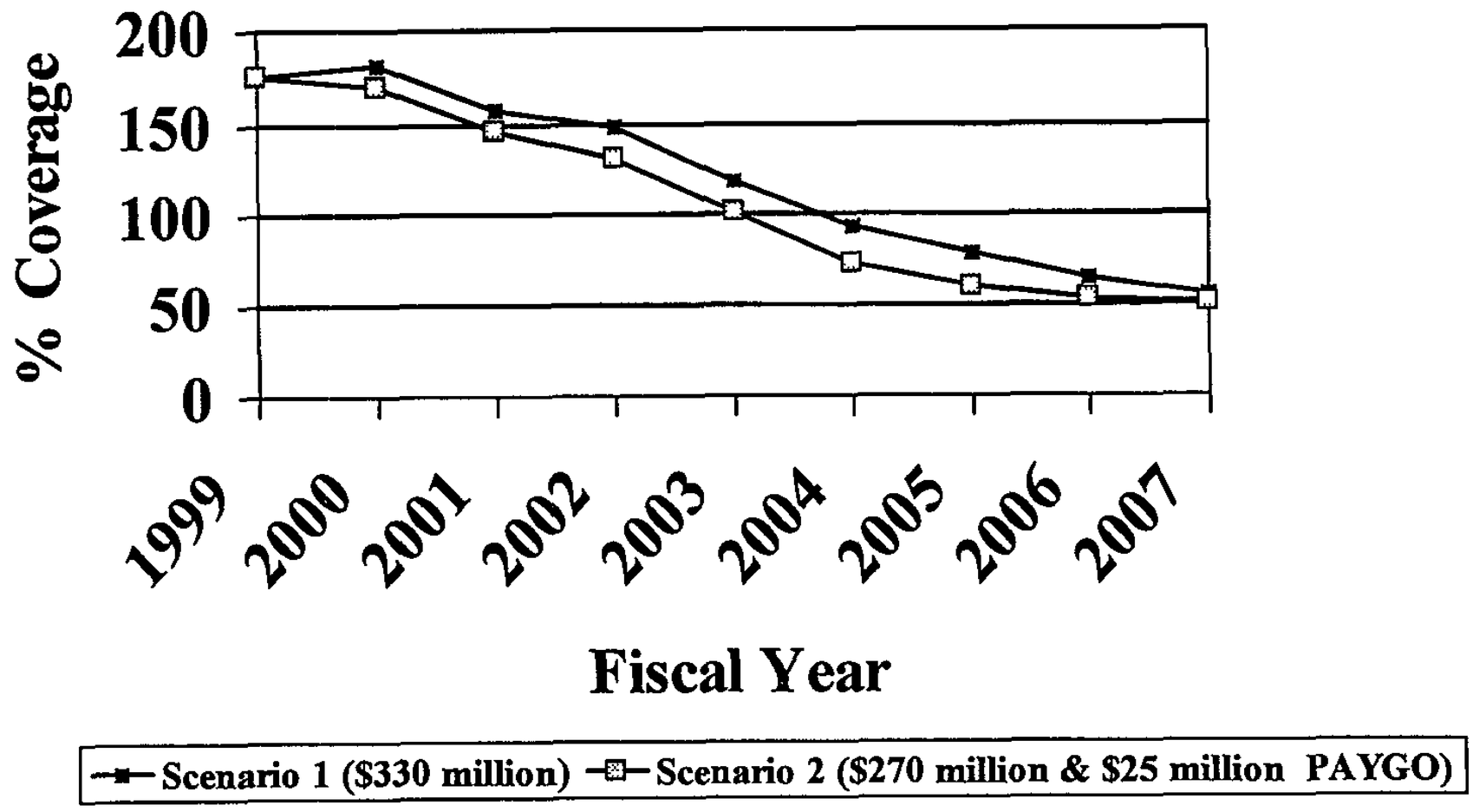
Assumptions:

Scenario One: No Capital Projects.

Scenario Two: Finance all Capital Projects ($41.5 million).

Scenario Three: Finance $23.9 million and pay cash for $17.6 million.

City of Charlotte
General Government Debt Service Fund
Impact on Fund Balance



City of Charlotte

Usage of Occupancy Tax (Original 3%)

By state statute, the revenues may only be used for "acquiring, constructing, financing, maintaining, operating, marketing, and promoting convention centers, civic centers, performing arts centers, coliseums, auditoriums, museums, off-street parking for use in conjunction with these facilities, and for tourism and tourist-related programs and activities including art and cultural programs, events and festivals."

ABOUT GEORGE L. KELLING

George L Kelling is a profesor in the School of Criminal Justice at Rugers University He is also a Fellow in the Program of Criminal Justice Policy and Management at the Kennedy School of Government at Harvard University and is Professor Emeritus at the Northeastern University College of Criminal Justice

In the March, 1982, issue of The Atlantic Monthly, James Q Wilson and George Kelling co-authored an article titled *Broken Windows* By using the image of broken windows to explain how neighborhoods might decay -- both physically and in quality of life -- if no one attends to their maintenance, Kelling and Wilson argued that the best way to fight crime was to fight the disorder that precedes it Kelling and his wife, Catherine Coles-- a lawyer and anthropologist specializing in urban issues and criminal prosecutions -- subsequently wrote *Fixing Broken Windows" restoring Order and Reducing Crime in Our Communities*, expanding significantly on the Atlantic article

In *Fixing Broken Windows* Kelling and Coles examine the competing claims of individual liberty and community in determining to what extent public spaces should be protected They emphasize that the "crime problem" is an mixture of disorder, fear, serious crime and urban decay They contend that the current criminal justice response has failed by not recognizing the links between these elements and by ignoring the role citizens can and must play in crime prevention They support these arguments with extensive research into the history of policing, into how court decisions have evolved to address public disorder, and into recent efforts, particularly in New York City, to restore order and reduce crime in America Kelling and Coles insist that, despite the many obstacles, order can be restored in American cities, and they identify attainable policy objectives that respect the legitimate rights of individuals while protecting the interests of neighborhoods and communities

George Kelling has worked with the Charlotte-Mecklenburg Police Department to participate in leadership development and to evaluate various programs

Community Safety

Focus Area Update

Draft

Strategic Overview

Crime and its related disorder problems remain one of the primary concerns of the citizens of Charlotte While Charlotte's 1997 index crime rate per 100,000 population was the lowest that it has been since 1980, there is still much work to be done to achieve the City's goal of safe and liveable neighborhoods

In 1994, City Council adopted a five year community safety plan that funded a number of public safety initiatives That plan, the CWAC initiative, and the implementation of community problem oriented policing broadened the definition of community safety to include the liveability, stability, and economic viability of a neighborhood as well as the level of criminal activity that is present These initiatives have been the catalyst for community safety to become a collaborative effort among all City departments, the citizens of Charlotte, and a host of other public and private service providers

In the next two years, Charlotte faces a number of challenges in its efforts to decrease crime and improve the perception of citizen safety Among these challenges are

- **Community Policing:** The need to expand community problem oriented policing from its current level of 69 community coordinators to involvement of all patrol officers and sergeants in problem solving partnerships with citizens and other service providers

- **Inner City Crime and Disorder:** The necessity of addressing the conditions that make many of our neighborhoods, especially those in the inner city, more susceptible to crime and disorder A desired outcome of this effort is a reduction in the violent crime rate in the 73 City Within a City neighborhoods which is twice that of the overall City rate

- **Juvenile Crime and Victimization.** The continuing need to develop prevention programs to reduce juvenile crime and victimization While juvenile arrests declined by 4 5% in 1997, there were still over 5,000 youth, ages 17 and younger, arrested in our city last year These juvenile arrests included 3 for homicide, 10 for rape, 111 for robbery, and 34 for arson

- **Vehicle and Pedestrian Safety:** The need to develop a comprehensive strategy to reduce the number of auto accidents resulting in death, personal injury and property damage Last year there were 33,226 traffic accidents that resulted in the loss of 53 lives, a number that will be exceeded this year

While we know that there are many challenges in building a safe community, we believe that we have unprecedented opportunities to do so through community problem oriented policing, a widespread collaborative approach to neighborhood based service delivery, and citizens who are becoming educated, engaged, and empowered partners in combating crime and disorder

Service Delivery Philosophy

There are six key components of the City of Charlotte's delivery of public safety services in this community

Prevent Crime· Reduce the opportunity for criminal activity to occur through enforcement and prevention activities that address both specific crime and disorder problems and the root causes of criminal activity

Partnerships: A network of public and private service providers working with citizens to build a safe community Each member of the partnership, including the citizen, has a critical role to play in identifying and solving problems

Problem Solving The identification and analysis of a group of related incidents or an ongoing situation that concerns neighborhood residents, is unlikely to disappear without active intervention, and can be solved by using the resources of City government, public and private resource providers, and the affected neighborhood Service providers and citizens form an active partnership to solve the problem

Collaborative Service Delivery: A problem solving approach under which City government and other service providers take a team approach to delivering services to a neighborhood or business corridor to insure that the appropriate resources are brought to bear on all of the problems in the affected area

Neighborhood Accountability: The belief that public safety is the responsibility of every citizen who lives and works in Charlotte and that neighborhoods and commercial districts must take and active part in identifying problems, developing possible solutions, and assisting in the implementation of the solution

Safe Streets: A comprehensive program of traffic enforcement, education, and engineering designed to reduce the deaths, injuries, and property damage associated with traffic accidents

All of the City's community safety efforts are ultimately designed to support the Police Department's mission of preventing the next crime Our community safety goals acknowledge that building a safe city must be a community wide effort with government and citizens working together to combat crime and disorder Over the next two years, we plan to concentrate our efforts on expanding and strengthening the community safety partnership, giving both service providers and citizen partners the tools that they need to become effective and empowered problem solvers

To that end, the City has adopted four primary community safety goals

1 Reduce the rate of crime victimization
2 Increase the perception of public safety
3 Enhance the capacity for neighborhood problem solving
4 Increase vehicle and pedestrian safety

Key Initiatives

REDUCE THE RATE OF CRIME VICTIMIZATION

Reduce crime and victimization in our community through measures that

- **Take a proactive approach to crime and disorder problems**
- **Involve police, citizens, and other service providers in collaborative problem solving partnerships**
- **Balance enforcement and prevention measures**

Crime Reduction Action Plans

Develop neighborhood based crime reduction action plans in neighborhoods or commercial districts with identified crime problems

Measures:
- *Number of plans developed and implemented annually*
- *Reduction of crime and victimization in the target neighborhoods or commercial districts for calendar year 1999 vs 1998*

Collaborations: City government agencies, other public and private service providers and Neighborhood residents and business owners.

Juvenile Crime Prevention

Continue to support juvenile crime prevention efforts such as Right Moves for Youth, the Police Athletic League, Child Development Community Policing, and Summoning the Village

Measures:
- *Number of initiatives with active City involvement*
- *The involvement and impact of Summoning the Village Child Development Community Policing, and Right Moves for Youth on participants' school attendance, grades and participation in criminal activity during 1999*

Collaborations: Charlotte-Mecklenburg Schools, Mental Health Association, Department of Social Services, other public and private service providers, citizens

Develop initiatives, in conjunction with the school system and the Department of Social Services, to reduce the rate of juvenile criminal activity and victimization during the crime prone hours of 3 00 p m and 7 00 p m

Measures.
- *Development of specific initiatives during FY99/2000*
- *Reduction in rate of juvenile arrests and victimization during the target hours in the 1999/2000 school year*

Collaborations: Charlotte-Mecklenburg Schools, Department of Social Services, public and private service providers, the Foundation of the Carolinas

■ Violent Offenders

Increase the Police Department's criminal intelligence capacity to target criminal enterprise that continues to perpetrate violence in inner city neighborhoods

Measures
- *Development of specific measures to increase criminal intelligence capacity during FY99/2000*
- *Annual increase in arrests of violent offenders in target neighborhoods*
- *Annual increase in number of cases successfully prosecuted*
- *Increase in perception of safety ratings in targeted neighborhoods as based on surveys conducted throughout 1999*

Collaborations: *District Attorney Courts, other state and federal law enforcement agencies and citizens*

■ Criminal Justice System

Strengthen the partnerships between the Police Department, the District Attorney, and Probation and Parole to involve those agencies in neighborhood based problem solving activities

Measures:
- *Formalization of a joint Mission Statement for the Police Department and District Attorney s Office in the 4th quarter of 1998*
- *Formalization of a Memorandum of Understanding between the Police Department and Probation and Parole in early 1999*
- *Expansion of joint investigative efforts with Probation and Parole,currently in two patrol districts to additional districts during calendar year 1999*
- *Delivery of Target 100 training to all new Assistant District Attorneys early in 1999*
- *Number of Neighborhood Crime Reduction Plans that have a neighborhood based prosecution component measured annually*
- *Increase in number of joint Police-Parole investigations* and the number of parole violators that are returned to the courts for action, measured annually

Collaborations: *District Attorney Probation and Parole and the Court System*

■ Criminal Justice System Legislative Strategy

Develop a formal strategy to lobby the legislature for improvements in the criminal justice system

Measures:
- *Number of contacts between governmental officials and members of the State Legislature*

- *Number of lobbying efforts that include partners from the region or other urban areas throughout the state*
- *Number of Charlotte legislative initiatives passed by the State Legislature*

Collaborations: Mecklenburg County, Chamber of Commerce, key community and business leaders, regional coalitions, governmental officials from other North Carolina urban areas and regional and state police chief associations

PERCEPTION OF PUBLIC SAFETY

Increase the perception of public safety by working to develop quality neighborhoods and business districts

■ Expansion of Community Problem Oriented Policing

Develop an understanding of the community problem oriented policing concept throughout the community and in all units of the Police Department

Measures:
- *Development and delivery of a public education program on the expansion of community problem oriented policing to the community during calendar year 1999*
- *Development and delivery of training on the expansion of the community policing concept to all members of the Police Department during calendar year 1999*
- *Development of a continuing education component on community policing during calendar year 1999 and beyond*
- *Development of baseline data on the perception of community safety through the administration of a Police district survey to all 12 patrol districts and a community survey developed and administered by the Gallup organization during 1999*
- *Increased perception of safety as measured through surveys*
- *Reduction in crime and victimization measured annually*

Collaborations: *City government and the entire community the Regional Community Policing Institute*

■ Neighborhood Capacity Building

Develop strategies to build neighborhood and commercial district capacity and accountability through training and technical assistance

Measures:
- *Development and delivery of problem solving training for neighborhoods during 1999*

- *Development of GIS training and accessability for neighborhoods during 1999*
- *Ongoing City government columns in neighborhood newsletters*
- *Number of neighborhood associations started with City assistance, measured annually*
- *Number of neighborhoods actively engaged in problem solving activities with Police and other City agencies, measured on an ongoing basis*
- *Number of problems nominated by citizens measured continuously*

Collaborations: City government and entire community, the Regional Community Policing Institute

■ Neighborhood Action Teams

Implement the Neighborhood Action Team concept in designated neighborhoods and business districts

Measures:
- *Development of criteria for use of Neighborhood Action Teams*
- *Formation of Neighborhood Action Teams and training of team members during FY2000*
- *Setting of objectives and development of work plans for each team during FY2000*
- *Number of Neighborhood Action Teams meeting their stated objectives in 2000*
- *Annual reduction in crime in the targeted neighborhoods*
- *Improvement in the Quality of Life Index ratings in the target neighborhoods, measured biannually*

Collaborations: City departments, citizens in target neighborhoods or commercial districts, other public and private service providers

■ Physical Appearance of Neighborhoods

Develop strategies to enhance the liveability of neighborhoods by improving their physical appearance

Measure:
- *Development of a Neighborhood Cleanliness Index including standards to define neighborhood cleanliness and standards for the delivery of City services during calendar year 2000*
- *Number of neighborhoods whose Quality of Life Index rating on cleanliness either improves or remains stable, measured biannually*

Collaborations: City Departments including Solid Waste Services, Neighborhood Development, Police and Fire, citizens in target neighborhoods

■ Nuisance Locations

Reduce the number of nuisance locations in neighborhoods and business corridors through a variety of problem solving initiatives

Measures:
- *Implementation of Nuisance Remedy program in Weed and Seed target neighborhoods in 1999*
- *Number of nuisances abated through Nuisance Remedy Program ABC initiatives, and Community Problem Oriented Policing Projects during 1999/2000*
- *Number of neighborhoods where citizens have taken an active part in nuisance abatement during 1999/2000*

Collaborations: *All City departments, citizens throughout the community ABC and ALE, other state and federal agencies District Attorney and the Courts*

INCREASED PROBLEM SOLVING CAPACITY

Enhance the ability of Police and other City departments to become effective problem solvers through strategies that
- **Enable City departments to deliver services using a team approach**
- **Provide police officers with additional problem solving tools**
- **Utilize the resources and expertise of a variety of public and private service providers**

■ Expanded Problem Solving Capacity for City Key Businesses

Develop measures that enable City departments to more effectively utilize a team approach to problem solving

Measures:
- *Continued development of problem solving information systems for Police and Neighborhood Development*
- *Development and delivery of problem solving training for Neighborhood Action Teams and neighborhood service delivery personnel during 1999*
- *Development of a community safety budget for programs that cross departmental boundaries for fiscal year 2000*
- *Ongoing development of strategies for Police Fire and Neighborhood Development to deal more effectively with the cultural diversity of the community*
- *Number of Community Safety Initiatives that cross key business boundaries*
- *Increased Citizen perception of safety as measured through annual surveys*
- *Number of threatened or fragile neighborhoods whose Quality of Life Index ratings improve measured biannually*
- *Number of problem solving initiatives that actively engage diverse cultural partners, measured annually*

Collaborations: *All city key businesses, citizens and other public and private service providers*

■ Police Department Problem Solving Capacity

Increase the capacity for the Police Department to deal with neighborhood issues

Measures:
- *Formation of Neighborhood Problem Solving Teams in all 12 patrol districts by the 4th quarter of 1999*
- *Implementation of a Strategic plan for dealing with issues in the Latino community in late 1998*
- *Implementation of a new CAD system in 2000 to allow for better management of officer time so that more time can be freed for problem solving activities*
- *Redefinition of departmental roles to facilitate community problem solving by the 4th quarter of 1999*
- *Number of Community Problem Oriented Policing projects initiated annually by police officers*
- *Number of CPOP projects successfully concluded, measured annually*
- *Number of neighborhood drug markets targeted annually for enforcement efforts*
- *Amount of time devoted to community problem solving efforts (not available until full implementation of new CAD and no baseline against which to measure)*
- *Number of repeat call locations eliminated each month*

Collaborations: City Key Businesses, Immigration and Naturalization Service, other public and private service providers that deal with the Latino community, and citizens throughout the entire community

■ Expanded Partnerships

Increase the number of non-City government service providers with whom the City actively engages in problem solving partnerships

Measure:
- *Actively seek problem solving partners in the public and private sector*
- *Number of problem solving partnerships with clearly defined roles and goals for each problem solving partner developed during calendar years 1999/2000*

Collaborations: *Public and private sector service agencies Charlotte-Mecklenburg Schools, Churches, and civic Clubs*

VEHICLE AND PEDESTRIAN SAFETY

Reduce the loss of life, serious injury, and property damage resulting from traffic accidents through a combination of enforcement, education and engineering

■ Traffic Safety Strategy

Strengthen the partnership between Police, CDOT, AAA, and other stakeholders to develop a comprehensive and integrated strategy for traffic safety and the reduction of vehicle and pedestrian accidents

Measures
- *Creation of a Traffic Safety Advisory Committee with representatives from agencies that are affected by or are charged with addressing traffic issues in order to strengthen partnerships and develop a multi-faceted approach to traffic safety problem solving by the spring of 1999*
- *Development of a comprehensive traffic safety strategy that incorporates enforcement education and engineering by late 1999*
- *Annual reduction in pedestrian and vehicle accidents fatalities, and property damage*

Collaborations: Police Department, City Department of Transportation, Corporate Communications, AAA, Health and Safety Council, N C Department of Transportation, Charlotte-Mecklenburg Schools and MADD

■ Traffic Education

Establish a partnership among Police, CDOT, Corporate Communications, and other stakeholders to develop educational programs that target specific programs such as road rage or specific population groups such as teenage drivers

Measures·
- *Number of targeted education programs delivered to the public annually*
- *Annual decrease in personal injury and property damage accidents*

Collaborations: Police Department, CDOT, Corporate Communications, Media, AAA, Health and Safety Council

■ Traffic Enforcement

Develop neighborhood based traffic enforcement programs in each patrol district to target specific problem areas

Measures·
- *Number of programs developed and implemented*
- *Increase in number of traffic citations issued measured annually*

- *Decrease in number of intersections with high volume of traffic accidents, measured annually*

Collaborations: Police Department, CDOT, and citizens.

Traffic Engineering

Expand the use of technology as a traffic control tool

Measures:
- *Number of video radar units placed in school zones*
- *Number of additional red light cameras installed in intersections*
- *Decrease in speeding and red light violations in targeted areas, measured annually*

Collaborations: Police Department, CDOT, and citizens

CITY OF CHARLOTTE
CITY ATTORNEY'S OFFICE

MEMORANDUM

DATE Jaruary 6, 19--

TO Councilmember [illegible] Greene

FROM DeWitt F McCarle
City Attorney

RE Drug Paraphernalia Ordinance

Attached is the draft ordinance you requested [illegible] prohibits the sale of drug paraphernalia inside the City limits [illegible] you have had a chance to review the ordinance draft, Deputy City Attorney Mark Newbold and I [illegible] to meet with you to discuss the ordinance [illegible]

DFM/ef
Attachment

c Mark Newbold

MEMORANDUM

CITY ATTORNEY'S OFFICE

DATE: December 22, 1998

TO: DeWitt F. McCarley
City Attorney

FROM: Pamela P. Baker
Police Attorney

SUBJECT Drug Paraphernalia Ordinance

I have revised the proposed drug paraphernalia ordinance to provide a narrower and stricter scope of prohibited conduct than the corresponding North Carolina Statute The proposed ordinance would prohibit the **sale** of drug paraphernalia inside the City limits and creates a civil penalty rather than a criminal charge to punish violators

It is my understanding from reading the relevant North Carolina cases that an ordinance is not preempted by an existing statute if the ordinance imposes a higher standard of conduct or condition than the state law (See State v Tenore 280 N C 238 (1972) The proposal I am sending is patterned after similar ordinances in Minneapolis Minnesota Reno Nevada and Anchorage Alaska

A civil penalty should be helpful to the enforcement of the ordinance According to the officers one of the problems with the N C statute has been the failure to prosecute the cases in criminal court

Pleas let me know your thoughts on this proposal

ORDINANCE NO. _____ **AMENDING CHAPTER 15**

AN ORDINANCE AMENDING CHAPTER 15, "OFFENSES AND MISCELLANEOUS PROVISIONS," OF THE CITY CODE OF THE CITY OF CHARLOTTE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA THAT

Section 1 Chapter 15 shall be amended by adding the following ordinance as 15-32 entitled ' Sale of Paraphernalia Intended For Illegal Drug Use '

' Sec 15-32 Sale of Paraphernalia Intended For Illegal Drug Use

(a) Definitions For the purposes of this section, the following definitions shall apply

(1) The term 'drug paraphernalia means all equipment products and materials of any kind which are used, intended for use or designed for use in planting propagating cultivating growing harvesting manufacturing compounding converting, producing processing, preparing, testing analyzing packaging repackaging storing containing concealing injecting ingesting inhaling or otherwise introducing into the human body a controlled substance the possession of which would constitute a violation of the laws of the State of North Carolina It includes but is not limited to

a Kits used intended for use or designed for use in planting propagating cultivating growing or harvesting of any species of plant which is a controlled substance or from which a controlled substance can be derived,

b Kits used, intended for use, or designed for use in manufacturing compounding, converting producing, processing or preparing controlled substances,

c Isomerization devices used for, intended for use or designed for use in increasing the potency of any species of plant which is a controlled substance,

d Testing equipment used for identifying, or in analyzing the strength, effectiveness or purity of controlled substances,

e Scales and balances used, intended for use or designed for use in weighing or measuring controlled substances,

f Diluents and adulterants, such as quinine, hydrochloride, mannitol, mannite, dextrose and lactose for mixing with controlled substances,

g Separation gins and snifters used or intended for use in removing twigs and seeds from, or in otherwise cleaning or refining marijuana,

h Blenders bowls containers, spoons and mixing devices for use in compounding controlled substances

i Capsules balloons envelopes and other containers for packaging small quantities of controlled substances

j Containers and other objects used for storing or concealing controlled substances

k Hypodermic syringes needles and other objects for parenterally injecting controlled substances into the human body

l Objects for ingesting inhaling or otherwise introducing marijuana cocaine crack methamphetamine crank, hashish or hashish oil or any other controlled substance into the human body such as

1 Metal wooden acrylic glass stone plastic or ceramic pipes with or without screens permanent screens hashish heads or punctured metal bowls

2 Water pipes

3 Carburetion tubes and devices

4 Smoking and carburetion masks

5 Objects commonly called roach clips for holding burning materials such as a marijuana cigarette, that has become too small or too short to be held in the hand,

6 Miniature cocaine spoons, and cocaine vials

7 Chamber pipes,

8 Carburetor pipes,

9 Electric pipes

10 Air-driven pipes,

11 Chillums

12 Bongs

13 Ice pipes or chillers

14 Objects commonly called stems used to hold crack cocaine or crank methamphetamine for ignition and inhalation

(2) In determining whether an object is drug paraphernalia the following factors, in addition to all other relevant evidence may be considered

a Statements by an owner or by anyone in control of the object concerning its use

b Prior convictions if any of an owner or of anyone in control of the object for violation of the controlled substance law

c The proximity of the object in time and space to a violation of the controlled substances laws,

d The proximity of the object to controlled substances

e The existence of any residue of a controlled substance on the object

f The proximity of the object to other drug paraphernalia

g Instructions oral or written provided with the object concerning its use,

h Descriptive materials accompanying the object explaining or depicting its use,

i Advertising concerning its use,

j The manner in which the object is displayed for sale

k Whether the owner, or anyone in control of the object is a legitimate supplier of like or related items to the community such as a seller of tobacco products or agricultural supplies,

l The existence and scope of legitimate uses of the object in the community,

m Expert testimony concerning its use,

n The intent of the owner or other person in control of the object to deliver it to persons whom he knows or reasonably should know intended to use the object to facilitate violations of the Controlled Substances Act,

o Direct or circumstantial evidence of the ratio of sales of the object to the total sales of the business enterprise, and

(3) Sell and sale mean the commercial transfer of ownership possession or use of drug paraphernalia in the regular course of a wholesale or retail business for consideration of any type

(b) Sale of drug paraphernalia It is unlawful for any person to sell or to possess with intent to sell drug paraphernalia knowing that it will be used to plant propagate cultivate grow harvest manufacture compound convert produce process prepare, test analyze package repackage store contain conceal inject ingest inhale or otherwise introduce into the human body a controlled substance the possession of which would be a violation of the laws of the State of North Carolina

(c) Penalty additional remedies

(1) Civil penalty injunctive relief Any person who violates any provision of this chapter shall be subject to a civil penalty of $100 00 for each offense or injunctive relief to restrain the person from continuing the violation or threat of violation or both injunctive relief and a civil penalty Upon application for injunctive relief and a finding that a person is violating or threatening to violate any provision of this chapter the superior court shall grant injunctive relief to restrain the violation

(2) Continuing violations Each day of violation of any provision of this chapter shall constitute a separate offense

(3) Forfeiture of paraphernalia Any item sold or possessed with the intent to sell by any person after a court has adjudicated such an item to constitute drug paraphernalia as defined by section shall be subject to forfeiture of the paraphernalia to the municipality upon order of the court entered in any

injunction proceedings instituted under the authority of this section or in a separate forfeiture action instituted by the municipality

Section 2 This ordinance shall become effective , 1999

APPROVED AS TO FORM

DeWitt F McCarley
City Attorney

Top Priority	Importance (vote tally) Top	High
1. Transportation Plan • Use Urban Coalition to discuss transportation issues and plans • Work with Chamber on the Regional Transportation Plan (Involve elected officials in Region) • Pursue Regional MPO (Bi-State) • Integrate road and transit planning • Address environmental issue Impact of Land Use (Charlotte and regional) Air Pollution Emission Control (Update Environmental Regulations and Impacts on Charlotte, Organizations Addressing Issues Problem Identification)	9	
2. ~~Community-Oriented~~ Policing Evaluation and Direction • Develop clear goal "Safest City in U S over 250 0000" • Develop action plan for drug houses reduction and major distribution points • Learn from other safe cities • Decide staffing level and retention in Budget	7	
3. State Roads Action: Increased Funding • Lobby for changes in formula and funding • Work with other cities to lobby Governor for additional funds • Develop clear action steps (short-term) activities, responsibilities • Develop specific resolution - send to State (Governor Legislators) • Explore legal options	7	
4. Transit Plan and ½ ¢ Sales Tax: Implementation • Develop governance structure • Develop implementation schedule - governance organization levy etc • Initiate development of specific designs/plans	6	
5. West Side Strategic Plan Implementation • Finalize Plan • Identify visible, impact action plan for 1999 • Communicate to community - accomplishments, activities successes (people feeling success) • Strengthen Relationship with C M D C and Community Enterprise Organizations (i e businesses and non-profits)	6	

High Priority	Importance (vote tally) Top	High
6 Corridor Plan • Review corridors status, what has worked • Begin to address new corridors North Tryon Street West Boulevard etc - Define problems - Explore strategy options (unique to area) - Review status of infrastructure • Review Central Avenue Report	2	8
7. Planning for City **A. Economic Development Strategic Plan** - Review at Retreat - Decision City Council s Role **B. Center City Plan 2010 (9/99)** - Decision Participation	3	7
8. Court System: Expansion • Develop common understanding of the System and problems • Develop approach for informing citizens - focus on key points from City-County Criminal Justice Study Committee • Work with other urban cities	3	7
9. Business Retention Strategy and Action Plan • Improve information flow to businesses • Review ordinances that impact business Purposes and impacts • Review and Decide responsibility activities staffing budgeting • Develop action for demonstrating appreciation for being in Charlotte • Use model of Wilkinson Boulevard for other areas (e g South)	2	7
10. Community Strategic Plan for Housing • Finalize process (compact time) work with stakeholders • Develop Plan goals • Review Plan • Decision strategic direction action plan	5	6
11. Neighborhood/Business Revitalization Strategy • Define problems and problem area • Determine outcomes/goals (wealth creation equity for businesses) • Develop strategy	1	6

Other Priority	Importance (vote tally) Top	High
12. Minority Business Development Strategy • Compare what other cities have done - effectiveness • Evaluate our effectiveness • Refine our strategy	2	5
13. Connectivity Strategy: Neighborhood and Road System • Review problems/outcomes connectivity • Review issues and policy options (from Transportation Committee) • Decisions policy direction • Identify future neighborhood and impact • Link to transportation planning and land use	3	4
14. Regional Agenda • Flood plains/stormwater • Water supply • Air pollution • Transit/roads • Waste disposal - Work through Urban Coalition - Identify efforts/activities for 1999 - Communicate with Council on activities - Develop staff/resource needs - Develop integrated strategy - issues and action steps (pool resources/contacts)	4	3
15. Flood Plains: Policy and Direction • Discuss problems • Decision Interim actions/regulations • Review City flood plain analysis policies and goals for lands - County Committee • Review recommendations • Identify changes in development regulation • Decision direction	2	3
16 Eastside Strategic Plan • Develop Plan • Review Plan • Decision Adoption Strategy	-	3
17. Historic Preservation Policy and Direction • Review current policy and actions • Define "historic" • Identify historic building • Explore preservation policy and action options • Decision direction/policy	2	2
18. Green Space/Open Space: Policy, Plans, Direction • Define roles and responsibilities City - County • Review goals, plans priorities • Decision policy position • Lobby County	1	2

Importance (vote tally)

Other Priority - continued	Top	High
19. Charter Schools: Direction • Explore experiences in other cities • Identify areas (neighborhoods) organization of operations • Define the content "Charter School" • Decision policy direction	1	2
20. Cost of Living Study • Analyze Cost of Living • Evaluation	1	2
21. Return on Investment Evlauation: Drop Services • Evaluate services programs, department initiative return on investment • Decision direction	1	1
22. Destination: Retail • Report on status	-	1
23. Diversity Strategy and Action Plan • Expand "Hispanic/Latino Plan - Citywide • Develop integration into our socity - a strategy • Link Mayor's International Cabinet	1	-

Restructuring Government

Focus Area Update

Draft

The draft of the Restructuring Government Focus Area Plan is included for your review This information will not be discussed as a part of the January Retreat but Committee Chairperson Charlie Baker and Assistant City Manager Julie Burch are available to answer any questions you may have regarding this information

Strategic Overview

Since the early 1990's Restructuring Government has been one of the five focus areas The City has successfully tackled many challenges of restructuring government The organization has been flattened and redesigned Resources have been redirected to public safety Competition/privatization has become a way of life in running our business

Below are some significant accomplishments of Restructuring Government since 1991

- Reorganization resulted in reducing 26 departments to 9 Key Businesses and 4 Support Businesses
- City and County Police, City and County Parks and Recreation, as well as a number of smaller functions, have been functionally consolidated
- Annual payroll costs have shifted from $55 million to $125 million for Police and Fire employees and from $138 million to $57 million for all other General Fund employees
- Police and Fire employees have increased from 1,886 to 2,664
- General fund employees have decreased from 2,150 to 1,313
- Non-public safety employees have decreased by 40% per 1,000 population
- The total number of employees has increased by 160, even though the size of the city has increased by 37%
- There has been $9 1 million annual savings from managed competition ($2 4 million in outsourcing, $2 3 million in competition and $4 4 million in optimization)
- Competition savings have been shifted to public safety and capital programs (like road bonds and Neighborhood Improvement bonds)
- $63 5 million in services have been identified in the current 5-year competition plan
- Water and sewer rates, projected to increase 5-8% annually, are increasing 2-4% annually despite significant growth in the system

CHALLENGES FOR THE FUTURE

As we move toward 2000, the challenge is to serve a dynamic, growing and diverse community with quality services at competitive costs Our organization and service delivery practices must support and facilitate the achievement of goals in the other four Council priority focus areas

Charlotte is a leader in solving problems We are known for our creative and innovative solutions We want to continue to be a public organization on the leading edge of change

The organization will continue to use the Balanced Scorecard to measure our performance and to assess our effectiveness in achieving Council priorities The scorecard measures achievement from the perspectives of customer service, financial accountability, internal processes, and learning and growth

Today accountability is defined by results Accountability for our organization means increased emphasis on results and a strong focus on outcomes rather than activities

The major areas of emphasis for Restructuring Government over the next two years include service delivery, competition and privatization, workforce recruitment and retention, workforce development, and technology

The City will reach the final phases of annexation within the next few years Our City tax base will be set and will define available resources It is time to review how we deliver services, such as solid waste and water and wastewater, for the ultimate "built-out" City Do the current methods of service delivery still make sense? What do our customers want and need? How can we use extra-territorial jurisdiction to better prepare for future annexations?

We will continue to use competition and privatization as tools to provide the best service at the lowest cost We will take the best practices from the private and public sector and implement them

We need a skilled, motivated workforce to deliver services and provide customer satisfaction In keeping with the adopted Human Resources philosophy, we will provide competitive compensation, benefits and working conditions

We will provide the leadership and business skills training needed to help our employees be the best We will recognize that a diverse workforce is a key to serving a diverse community

We will provide our workforce with the technology tools they need to improve productivity and serve our customers

The City core values will guide us in our pursuit of excellence quality and excellence, accountability, productivity, teamwork, openness and people development

Key Initiatives

SERVICE DELIVERY

Deliver services to meet expectations of customers and demands of a changing urban environment.

- Evaluate City services for efficiency, effectiveness and customer satisfaction

  Measures:
  - *Review major service delivery practices to determine changes necessary to address growth and the ultimate "built-out' city*
  - *Be rated excellent" or 'good' in service delivery by at least 75% of citizens surveyed*

- Prepare for future annexations by implementing City zoning and planning practices in our extra-territorial jurisdiction

  Measure:
  - *Exercise extra-territorial jurisdiction by January 2000.*

- Establish City-wide customer service standards for all forms of customer interactions

  Measures:
  - *Establish standards by June 1999*
  - *Monitor customer satisfaction through individual Key Businesses and City-wide surveys*

- Review statues and ordinances for possible changes to streamline interactions with customers

  Measure:
  - *Key Businesses review statues and ordinances regulating current service delivery practices and make recommendations for change*

COMPETITION AND PRIVATIZATION

Use competition and privatization as tools to provide the best service at lowest cost.

- Use service optimization and re-engineering as tools to drive down costs for services scheduled for future competition

  Measure:
  - *Number of services optimized or re-engineered and total dollars saved*

- Prepare five-year competition/privatization plan and update annually

  Measure: • *100% implementation of current annual competition/privatization plan*

- Ensure financial and performance objectives for competition contracts are met through monitoring

  Measures: • *Audit all City-awarded contracts annually and those with employee gain-sharing quarterly*
  • *Annually audit selected competition contracts awarded to the private sector*

Workforce Recruitment and Retention

Provide competitive compensation, benefits and working conditions in order to recruit and retain good employees.

- Re-evaluate the broadbanding and public safety pay systems

  Measure: • *Make recommendations by April 1999*

- Evaluate employee benefit plans on an on-going basis and determine needed changes

  Measure: • *Report in April 1999 and April 2000*

- Assess Current work-life/family initiatives and determine needed changes

  Measure • Determine actual utilization and gather employee feedback

- Assess employee satisfaction about their jobs and work environment

  Measure: • *Conduct survey to establish baseline Analyze results and present finding by June 30 1999*

- Determine workforce needs and trends for 2000-2004

  Measure. • *Conduct workforce availability study and explore strategies by April 2000*

WORKFORCE DEVELOPMENT

Concentrate workforce development on leadership and business training and basic job competencies, including customer service, problem solving, technology, literacy, cross training, creative thinking and individual development and learning.

- Recognize and incorporate diversity awareness in organizational culture

  Measure: • *Develop strategies to implement City-wide diversity initiative*

- Identify a comprehensive strategy for developing effective supervisors and leaders

  Measure: • *Present a plan to the leadership Team for approval by September 1999*
  • *Evaluate and revise current supervisory programs*

- Identify organization-wide training priorities for the next two years to sharply focus training resources on skills needed by the workforce

  Measure: • *Develop strategic training plan by June 1999*

- Promote internal cooperation and collaborative problem-solving
  Measure: • *Establish cross-department teams with 100% success rate for problem solving (e g code enforcement team and new financial management team)*

TECHNOLOGY

Use technology to enhance our competitive position and to improve productivity and service delivery.

- Rebuild technology infrastructure to improve reliability and speed processing time

  Measure • *Ensure that the new infrastructure is 100% reliable and accurate*

- Streamline customer interactions as a result of enhancing or using technology

  Measures: • *Utility Billing - improve billing processes as measured by reduction in errors increases in cash flow and efficiency of handling customer requests*
  • *Customer Service System - Establish baseline data on customer inquiries*
  • *Land Development permitting - Implement one-stop permitting processes by June 2000 and establish baseline process measures*
  • *Police CAD - Implement new system by January 2000*
  • *Fire CAD - Determine direction of new system by June 1999*

- Maintain access to technology by successfully resolving Year 2000 compliance issues and developing contingency plans

Measure: • *100% of priority systems pass December 31 1999 without failure*

NATIONAL LEAGUE OF CITIES
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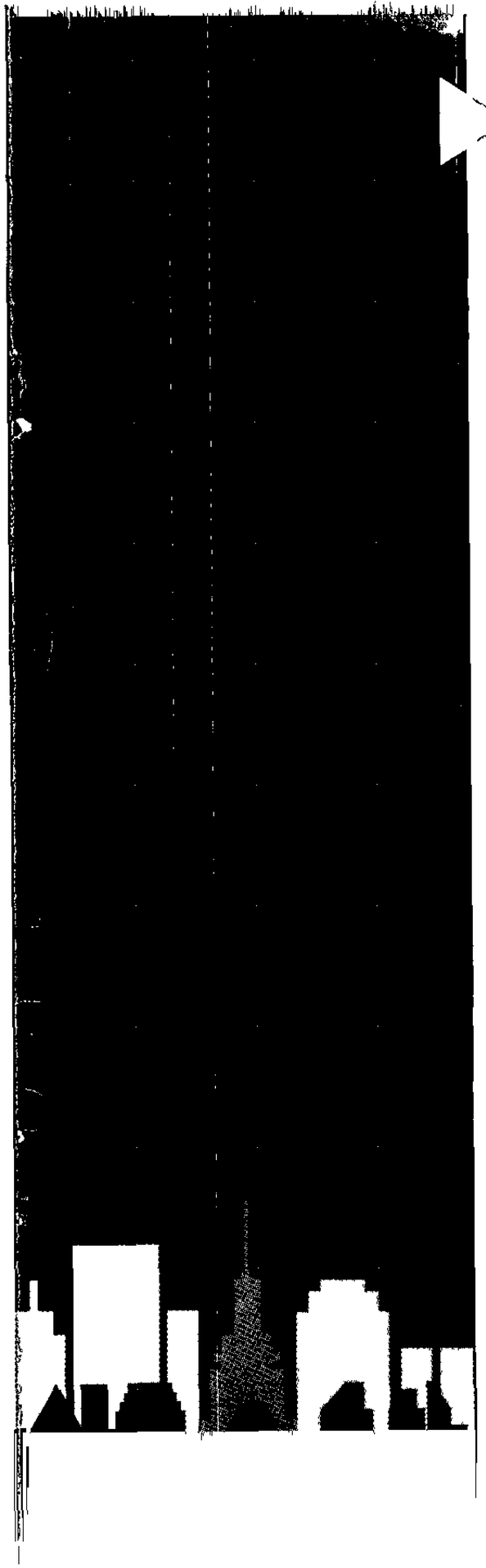

Major Factors Affecting America's Cities

A REPORT FROM THE NATIONAL LEAGUE OF CITIES' MUNICIPALITIES IN TRANSITION PROJECT

THE NATIONAL LEAGUE OF CITIES

inside back cover

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ISBN# 1 886152 53 5

Major Factors Affecting America's Cities

By Jamie Woodwell
Research Manager National League of Cities

A Report From
The National League of Cities'
Municipalities in Transition Project

Table of Contents

1 FOREWORD

3 INTRODUCTION AND OVERVIEW

3 Major Factors Affecting America's Cities

5 Local Context Affects Cities' Responses

6 Observations: What's Happening in America's Cities?

9 MAJOR FACTORS AFFECTING AMERICA'S CITIES

11 The "New" Economy

14 Limited Revenue Capacity

17 The Movement of People and Businesses

21 Suburbanization and Sprawl

24 Education

27 Changing City Government Roles and Relationships

How City Officials See It: Changing City Government Roles and Relationships

What Is It?

When city officials talk about changing city government roles and relationships they talk about

Technological changes in city administration a shift in political ideology from center to right an increased focus on services producing revenues for city economic competition from other local and state governments for business increased business partnerships civic disengagement and an anti government mentality in some cases vs increased citizen participation in others the ascendancy of companies that are less tied to their communities increased coordination and collaboration among governments across a region proactive community action political/philosophical differences between the state and the city the tension between regional and neighborhood needs devolution of government responsibilities increasing city divisions along neighborhood lines and the rise of neighborhood political organizations

Why Does It Matter?

Changing city government roles and relationships matter to cities because they re connected to

New ways of operating changed expectations of local government fiscal conservatism a revenue squeeze on local government the need for greater efficiency more privatization less support for the arts increased competition between cities more and better long range planning demands that numerous groups be included in decisionmaking leading to higher costs and delays in service a lack of state revenue sharing fewer people participating in government boards decentralized city governance and a focus on neighborhood concerns rather than city concerns

concerns such as transportation and housing have become paramount. Local government's ability to focus on issues at all levels has clear impacts on how it gets things done.

The Local Scene: How Changing City Government Roles and Relationships Are Affecting . . . .

Detroit, MI

Increasingly, Detroit citizens are active participants in city efforts to improve the quality of life. Two annual efforts – Halloween monitoring and Clean Sweep – attract 35,000 and 26,000 volunteers respectively, meaning citizens are more in touch with their city and the city government is more in touch with residents. And because organized communities are safer communities, citizen involvement tangibly improves resident quality of life while also changing the way the city government and residents interact.

Iowa City, IA

A general distrust of the federal government has filtered down to the state and local levels, according to Iowa City officials. Increasingly, local residents are questioning, challenging, and getting involved in local government action. While this provides greater community input, the need to constantly hold hearings and referendums significantly slows the wheels.

Orlando, FL

Making government efficient is the number one concern for Orlando officials. The public wants an "out of sight, out of mind" government that meets people's needs without raising taxes or making increased demands of citizens. Coupled with a competitive environment with other jurisdictions, this leads to a focus on the bottom line and core services. A recent sales tax referendum that would have provided funding for education and transportation projects was voted down. With growing population and service demands, alongside limited revenue growth, greater efficiency is the one path available to meet resident and business demands.

Tempe, AZ

It used to be that Tempe dealt with issues on citywide basis. Over time, however, as the city and the number of subdivisions have grown, so have the number of neighborhood associations. Increasingly, Community Residential Associations are becoming the key point of contact between the city government and the neighborhoods. Even though the neighborhood associations do not have legal standing, many now submit lists of requests to the city for projects – lists that used to be generated by city officials. In other developments, most neighborhoods now have neighborhood watch programs, and community based policing was instituted in 1990. As a result, neighborhoods and the government have been developing closer ties.

FOREWORD

In the Fall of 1997, the National League of Cities embarked on a new and exciting journey – The Municipalities in Transition Project. The goal was – and is – to connect public policy and other discussions to the reality of what is happening in America's cities by working closely with a representative group of cities from across the United States.

The work of the Transition Project already has yielded significant rewards. Through the interviews presented in this report and other meetings and conversations, the participating cities made it clear that their limited revenue capacities are significantly affecting their ability to provide services and programs their citizens demand. NLC researchers explored this issue in our annual City Fiscal Conditions report and found that over the last ten years, growth in city revenues has lagged well behind growth in the national gross domestic product, as well as federal and state revenue growth. This fact received significant media and public attention and is helping show the tough row that many of our cities have to hoe.

The main reason for the success of the Transition Project is the commitment and work that has been put into it. Jamie Woodwell, NLC's Research Manager, has successfully developed the Transition Project and has worked to ensure that it fairly, accurately, and productively represents what is happening in cities. Michael Pagano provided valuable insights and suggestions throughout the project's development and implementation. In addition, the interviewers for this phase of the Project – Jamie Woodwell, Michael Pagano, Susan Clarke, Sheila Croucher, and David Parkhurst – devoted countless hours to talking with city officials and learning about their cities.

The work that provided the basis for this publication was supported in part by funding under a grant with the U.S. Department of Housing and Urban Development. The substance and findings of the work are dedicated to the public. The author and publisher are solely responsible for the accuracy of the statements and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of the Government.

Most important to this effort has been the commitment provided by city officials. More than 70 mayors, councilmembers, and city staff shared their time and energies with NLC on this effort. They not only spoke at length with our

interviewers but also worked with us in follow up communications to make sure we heard them correctly

The release of this report marks the completion of a first phase of the Municipalities in Transition Project but there is much left to do Our hope is that the report – and subsequent work by the Transition Project – will help encourage an informed discussion about America's cities the factors affecting them and the significant policy issues that city officials must address Also we hope that the Transition Project will help ensure that those discussions are grounded in the local realities of cities

Donald J Borut
Executive Director

William R Barnes
Director Center for Research
and Program Development

Changing City Government Roles and Relationships

City officials are challenged not just with changes in the nature of the issues they must address but also with changes in the ways in which they are asked to address them The relationship between citizens and government is a continuing focus with some officials reporting increases in citizen participation while others report declines Many officials report changes in the level of trust people have in the city and its elected leaders with most reporting a decline in trust Many also report a change to a more business oriented approach to local government with cities increasingly looking to services that can be directly supported with fees and with many citizens looking to the city to provide core services in a more efficient manner

Citizen Involvement a Key Concern According to city officials people's ownership of their community and their trust in local government are key factors in how well that government operates When people are distrustful or disengaged officials report that it is difficult to summon the needed public support to act on critical issues When people are overly watchful on the other hand government can be faced with onerous amounts of public input and review that serve only to stifle and delay local action

Many officials mentioned the lack of appropriate levels of citizen involvement as a major factor affecting their city Among the problems cited fewer corporate leaders serving on city boards less community interest in public service and a diminished feeling of civic ownership by the public Some officials report that distrust of local government has turned people away from civic participation while in other cities the distrust has heightened participation

Cities Striving to Become More Efficient. Another issue raised by many officials was an increased emphasis on making city government an efficient deliverer of quality services Because of limited revenues interjurisdictional competition and citizen demands the city's efficiency has become a top concern for local officials Many cities are outsourcing services to private concerns that can provide them less expensively or are reconfiguring their local staff to achieve greater efficiency The result they say is lower costs better services and a greater focus on customer oriented services

A Shift in Focus Increasingly officials say they are looking at issues from a variety of perspectives focusing on individual neighborhood concerns at the same time that they are looking at issues affecting the entire region In some cases increased pressure by neighborhood groups has turned officials attention to neighborhood issues and solutions while in other cases regional

. Savannah, GA

City officials see Savannah s educational system as a key component of the city s efforts to attract and retain businesses As a result the city is working to improve facilities and set new standards The city also is trying to get past turf issues that can arise between the city government and the school board Meanwhile the school system is working hard to keep up with the new demands The school system may have stopped the bucket from overflowing but the bucket is still very full said one local official

How City Officials See It: Education

What Is It?

When city officials talk about educa tion they talk about

The need for high quality education greater demands on schools the need for high skilled labor and a better educated workforce increased enrollments and other strains on schools guns in schools citizen dissatisfaction with local schools stretching the property tax to meet education mandates and city partner ships with schools

Why Does It Matter?

Education matters to cities because it s connected to

A high quality of life the flight to sub urban schools and the outmigration of the middle class disinvestment and loss of the local tax base the need for job retraining and concern about local neighborhoods

INTRODUCTION AND OVERVIEW

Tremendous changes are occurring in America s cities changes that are dra matically reshaping what cities do and how they do it

- In recent decades the U S economy has moved from a manufacturing powerhouse to a services leader
- Much of the nation s population now commutes across state and other jurisdictional lines or works from home
- America s schools must cope not only with providing instruction in read ing writing and arithmetic but also with the World Wide Web and juvenile crime and gangs

In order to find out more about these and other changes and how cities are responding to them the National League of Cities launched its Municipalities in Transition Project in the fall of 1997 (see sidebar About the Project for more information) To begin the Project NLC researchers interviewed more than 70 local officials representing 27 diverse cities across the United States

When asked what factors were having the most significant effects on their cities these city officials gave a variety of answers Looking more closely at their answers however revealed a set of six recurring themes major factors that are giving rise to significant public policy issues and are affecting the function ing and the roles of American cities as the twentieth century draws to a close

Major Factors Affecting America's Cities

What came out of the interviews is a story of both commonality and diversity The factors that are summarized below and described in greater detail in the second section of this report consistently are mentioned by city officials as having significant impacts on the local scene Yet the ways in which these and other factors play themselves out and make themselves significant can vary dramatically from one city to another

The six factors identified by city officials as having a significant effect on their cities today are

The "New" Economy

The services sector has overtaken manufacturing as the core of our economy Globalization has meant that an American city may now trade more with Hong Kong than with that city s direct neighbor Many local economies are boom ing while others are stagnating City officials often see economic factors at the root of other important issues and trends facing their cities Whether it is eco nomic growth or decline or a fundamental shift in the way the economy works changes in the economy have profound impacts on cities and munici pal governments

Limited Revenue Capacity

Many city officials report that they are facing significantly limited revenue posi tions City officials point to a variety of causes for the changed revenue pic ture including federal state and ballot preemptions and mandates changes in the structure of the economy suburbanization and sprawl and changes in the level of federal and state fiscal support for cities Without adequate revenues cities are unable to accomplish what residents demand In addition limited revenue capacity affects how cities raise revenues and the relative tax burdens imposed on different taxpayer groups

The Movement Of People And Businesses

As people and businesses move into and out of cities they affect the level of services that cities must provide as well as the revenues cities can raise to fund those services City officials note that the movement of people and busi nesses has additional impacts on cities because many new arrivals do not immediately fit in and require assistance in adjusting to their new schools their new neighborhoods and the workings of the local economy In addition as the resident popul ition in cities ch inges the core economic and demo graphic structure of the city changes as well leading to transitions in city pro grams activities revenues local housing m irkets economic and demographic diversity and more

Suburbanization And Sprawl

When city offic als t alk about suburb inization they t alk about the growth of the suburbs as both a residential and a business loc ition And they talk about sprawl as an uncontrolled pattern of development that is fostered by suburban growth From their perspective suburb iniz ition and sprawl are un voidable and even norm al the consequences of economic pressures that compel people and businesses always to be looking to reduce their expenditures But that educators are able to place on core learning At the same time because of the importance of education to an individual s success in life schools have great potential to reduce inequities among racial and income groups When schools fail they widen the gaps between the haves and the have nots by ill preparing entire segments of the population for life and work in today s econ omy When they succeed on the other hand schools provide great opportu nity for all citizens and help to bridge the gaps that traditionally have left cer tain groups behind

The Local Scene: How Education Is Affecting . . . .

Boston, MA

Education permeates everything we do says a Boston official Maintaining an educated workforce is seen by local leaders as key to the future economic climate in the city As new groups of people move in – often with different customs different languages and different experiences – it becomes hard to standardize teaching In addition differences in the performance of individual schools mean that certain children are getting a better education and better preparation for college and work With so many students coming to Boston from elsewhere to attend its large number of colleges and universities the city has to work doubly hard to make sure local students can compete both for college admission and for jobs

Columbus, OH

Columbus residents increasingly are dissatisfied with the public education sys tem in the city Because of the central role of education in preparing the local workforce and addressing other soc il issues improving the educational system can have significant spill over effects for the city One major benefit would be a slowdown in the outflow of residents from the city As a result of the out r ige th it many parents and children feel about the inferior quality of local schools a l irge share move to the suburbs

Minneapolis, MN

Poor education is at the heart of many key issues f icing Minneapolis tod ty Education prepares residents for productive lives and steers them away from crime and other activities with adverse impacts on the community Unfortunately however local schools are under a number of pressures Among these is the f ict that l irge numbers of people are moving to Minneapolis because of its strong economy and rel itive s ifety Since many of the incoming children come from school systems th it aren t as good as Minneapolis or that stress other subjects integrating children into the system is difficult If these children don t succeed in school they are much more likely to drop out and become a drain on r ither than an asset to the city

Education

Officials see a city's educational system as central to many aspects of its vitality. Residents look to schools as one of the key indicators of an area's desirability, often causing families, and sometimes businesses, to leave one area and choose another almost exclusively on the basis of the perceived quality of the schools. Officials also see schools as a key area of investment for a city's future. Without a well educated workforce, many cities feel they will be passed over by potential businesses in favor of areas that pay more attention to education and schools. In addition, officials say schools continue their role as "a teapot for society's tempests." Whether dealing with violence, the concentrations of different racial or income groups, or the acculturation of people from other cultures, schools must cope with and try to solve a variety of deep seated social problems.

Education is an issue of paramount importance to city officials – for varying reasons or based on varying concerns. In general, officials talk about local schools in three distinct and interrelated ways: as key element in attracting residents and businesses, as a training ground for local workers to assure they have the skills and knowledge they need to fill jobs in the "new" economy, and as an arena in which to achieve social policy ends.

Education as a magnet for people and businesses. Highly mobile residents and businesses weigh a host of factors in choosing whether or not – and where – to move. Schools are among the most important amenities that people and businesses consider. City officials see quality schools as a key component of attracting and retaining these people and businesses to their city. If a city is perceived as having inferior schools, more people and businesses will leave and fewer will come. It is often the case that the true quality of local schools is less of a factor in people's decisions than the schools' perceived quality.

Education as a Workforce Issue. Many officials describe education's importance in terms of its role as a workforce issue. Without access to a quality education, a city's workforce will not have the skills or knowledge necessary to fill jobs in the new economy. This, in turn, will push employers to locate in other cities that can boast a better educated workforce. A key concern for officials is that the local education system may not be able to keep up with the shifting structure of the economy, and that the city's future economic health will suffer as a result.

Education as a Social Issue. City officials see schools as a microcosm of American society. The full range of societal issues – including violence, race, and health – inevitably find their way into schools and must be dealt with in some way by the educational system. This significantly diminishes the focus

many officials say that suburbanization and sprawl are hastened at the cities' expense by a host of social, legislative and economic forces. Adding to the problems, suburbanization and sprawl are largely seen as beyond the control of most of the government structures that might try to contain or curtail them.

Education

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Changing City Government Roles and Relationships

City officials are challenged not just with changes in the nature of the issues they must address, but also with changes in the ways in which they are asked to address them. The relationship between citizens and government is a continuing focus, with some officials reporting increases in citizen participation while others report declines. Many officials report changes in the level of trust people have in the city and its elected leaders, with most reporting a decline in trust. Many also report a change to a more business oriented approach to local government, with cities increasingly looking to services that can be directly supported with fees, and with many citizens looking to the city to provide core services in a more efficient manner.

Local Context Affects Cities' Responses

During the interviews conducted for this report, city officials made it clear that they view the major factors affecting their cities through a "local lens." Ask them which of these factors are the most significant or important, and their answers are based on the underlying local contexts in which these factors play out, i.e., how these factors are affecting local residents and the local economy.

The officials' responses are a reflection of the fact that each and every city is unique – with a different geographic layout, a different set of local institutions and personalities, a different history, and a different legislative foundation. When something happens in a city, it is filtered through these various characteristics.

teristics As a result a certain factor can matter more or less or simply in a different way to one city than to another

Depending on the local context cities can experience a wide array of impacts in response to the factors described in this report Economic growth for example might bring jobs for the unemployed but also unemployed persons moving to the area looking for jobs It might bring increased government revenue but also greater demands for government services Economic decline on the other hand might lead not only to unemployment and a drop in tax revenues but also to outmigration a decline in local housing markets and an increase in demand for services Change brings a greater quality of life for some and a diminished quality of life for others

The diverse and often conflicting ways in which these factors play out at the local level can make it difficult for cities and city officials to respond not only to the specific factors mentioned in this report but to a host of other factors issues and conditions as well Nevertheless a firm grasp of how these factors are affecting local residents and the local economy is critical as officials work to understand and address what s happening in their cities

Observations: What's Happening in America's Cities?

In discussing the major factors affecting their cities officials made a number of important observations that provide a clearer picture of what s happening in America s cities today and how cities are responding to change Some of these are outlined below

Almost every city official sees transitions economic, demographic, or other that are fundamentally reshaping the city City officials see their cities in the midst of transitions in their underlying economies qualities of life fiscal affairs demographic profiles relations with other governments and a host of other defining characteristics Some of these transitions occur slowly and incrementally giving cities time to plan respond and think through their implications others are much more sudden These transitions also create problems and opportunities for cities A city s growing economy for example creates challenges in other areas of city life Changes bring with them different demands and a different focus in areas from public safety and transportation systems to financial resources housing and workforce education as cities struggle to meet the ever changing needs of local residents

The key factors affecting America's cities are interrelated. Each is a symptom or a cause of some other factor The shifting structure of the local economy which in turn leads to greater mobility which in turn leads to strains

the city still can accommodate the larger population of decades past meaning Rochester has more than its share of vacant houses with little market value These become targets for drug users and vandalism reinforcing the stereotype that the suburbs have safer neighborhoods with newer homes and better schools Suburbanization in the Rochester area both fosters and is fostered by racial divides particularly between black and white

. . Tulsa, OK

Growth in Tulsa has been extending to the south and east of the city So far because of the city s large land size most growth has been within its boundaries Because of Tulsa s dependence on the sales tax it is very important that growth continues within the city and that new retail development occurs inside city limits However with greenfields lower water and sewer rates and a willingness on the part of other jurisdictions to pay for new streets there is an increasing tendency for businesses to move to the suburbs

How City Officials See It: Suburbanization and Sprawl

What Is It?

When city officials talk about suburbanization and sprawl they talk about

The suburbanization of jobs suburbanization as a national trend competition between cities and suburbs the lack of low income housing in suburbs suburban convenience and threats to open space

Why Does It Matter?

Suburbanization and sprawl matter to cities because they re connected to

The decline of downtown the emergence of a metropolitan economy increased housing costs interjurisdictional battles over annexation a feeling that minorities are left out concentration of crime and poverty in the city problems in the education system central city funding of most of the region s social service costs business flight to the suburbs residential disinvestment loss of city government revenue and traffic congestion

on itself as more employers move to the suburbs for proximity to the work force and more people with higher incomes and greater means move to the suburbs for proximity to jobs Suburban growth also fosters divisive debates – both between different jurisdictions and within them – pitting those who favor growth against those who do not

City Revenues, Service Demands Impacted. As more development occurs in the suburbs and more people and businesses move out of the city some cities experience neighborhood disinvestment and disrepair and a reduction of the city tax base making it harder to provide the services necessary for those who remain Making matters worse the residents and businesses that leave often are those with the most resources leaving behind lower income individuals who provide fewer revenues and require more services

The Local Scene: How Suburbanization and Sprawl Are Affecting . . . .

Fort Wayne, IN

More and more people and businesses are locating in the rural areas around Fort Wayne where land is cheaper and easier to acquire As they do so the social fabric both in the city and in the suburbs is stretched thereby diminishing the sense of community Issues of regionalism emerge – including how to bring government entities together on issues ranging from housing to transportation to economic development With no clear regional structure and with a growing diffusion of impacts many regional issues become turf wars

Monroe, MI

Monroe has been seeing a decentralization of the population from the city to areas outside the city limits Because the city itself has little land left to develop the desire for more space is being met through growth in the suburbs As a result Monroe has seen a drop in population a greater concentration of less affluent people in the city and increased service delivery costs as the population spreads out The city is unable to annex growth areas meaning it must pay for infrastructure needs and other costs related to growth without being able to raise revenues associated with growth

. . Rochester, NY

Federal and state policies especially highway spending and land use decisions have made it easy for residents and businesses to move out of Rochester to where the land and infrastructure are cheap With no regional mechanism to control outmigration the city has seen its population drop from approximately 350 000 in the 1950s to about 250 000 in 1990 Nevertheless

on the educational system and so on None of the factors described in this report happens in isolation Each of them impacts and is impacted by the other factors on the list During the interviews city officials couldn t talk about one factor without mentioning the others as somehow related In describing the new economy for example officials discussed each of the other five factors from suburbanization and sprawl to education as having an impact on the city s economic prospects

Many of the factors having the most profound effects on cities are typically viewed as "outside" the conventional realm of municipal government action The factors identified in this report can have major impacts on city conditions and responsibilities but many are typically viewed as beyond city government s control Mobility and suburbanization for example involve moves and relationships among multiple jurisdictions Other factors such as the new economy are considered too big for municipal governments to control And others such as education and limited revenues often are driven by decision making bodies outside City Hall

Changes in cities affect the balance between the haves and have nots – an issue of paramount concern for city officials Economic change tends to elevate the incomes of many while limiting the means of others Suburbanization and sprawl tend to further concentrate people based on their ability to buy into a newly developed area Educational systems try not to reinforce these patterns by striving to offer all children an equal quality education regardless of their family income In discussing all six factors from the new economy to limited city revenues officials touched on how they are affecting the divide between the haves and have nots

City officials – from their vantage point – see a broader array of issues than do most other stakeholders Every city has a wide range of stakeholders each with its own point of view and a wide range of priorities that demand attention Because they must try to find the appropriate balance between the competing interests city officials perspectives on these issues are likely to be much broader than the perspectives of business owners residents the media and others These differing perspectives can lead to tensions between local officials and other city stakeholders

State and federal governments control many "pressure points that are key to local government s effectiveness Tying local hands limits rather than empowers city action Limiting how cities can raise revenue and imposing mandates on city governments are the two most commonly mentioned ways in which the state and federal governments restrict local effectiveness By doing both states and the federal government increase the financial burdens on cities at the same time that they limit city resources City officials

who are the most accessible government representatives to the public face the difficult task of making restricted revenues meet expanded needs all while dealing with numerous other changes and transitions

The key factors affecting America s cities cross conventional departmental lines. The key factors that officials say are affecting their cities do not fit neatly into departmental or organizational boxes Either directly or indirectly they affect multiple programs services and responsibilities found in numerous city departments As a result a city government s ability to work across organizational divisions is critical to its ability to adequately address these key factors

Perceptions often are more important than reality in a city's success City schools may be as good as schools in other jurisdictions but at the same time people may perceive the city schools to have problems Consequently parents will move out of the city in search of better schools Likewise cities may be seen as the centers of commerce but the perception of crime may still exist causing people to move away or to avoid shopping in certain areas because of their fears Understanding and dealing with people s perceptions is a vital task for city government

City officials view issues with a relatively long term perspective. Government often is criticized for being unable to see past the next election But officials regularly deal with issues that span election years and carry far beyond their own term expirations While still dealing with the here and now of immediate resident concerns many officials will often weigh and make short term sacrifices for long term gain

Suburbanization and Sprawl

When city officials talk about suburbanization they talk about the growth of the suburbs as both a residential and a business location And they talk about sprawl as a pattern of development that is fostered by suburban growth From their perspective suburbanization and sprawl are unavoidable and even normal the consequences of economic pressures that compel people and businesses always to be looking to reduce their expenditures But many officials say that suburbanization and sprawl are hastened at the cities expense by a host of social legislative and economic forces Adding to the problems suburbanization and sprawl are largely seen as beyond the control of most of the government structures that might try to contain or curtail them

A Fact of Life. City officials accept that some level of suburbanization and sprawl are facts of life in America today Given the lower cost of land the farther one moves out from the central city it is natural that certain businesses and people would trade the convenience of locating in or near the downtown area for the ability to afford more space and greater amenities

But Is It Out of Hand? Suburbanization and sprawl are exacerbated and become problems for cities however when other issues such as racism interjurisdictional competition and tax incentives and insufficient investments in infrastructure come into play In addition history has left many cities with distinct disadvantages – from brownfields to an inequitable share of regional social costs – that heighten the economic pull of the suburbs Taken together these pressures foster suburbanization and sprawl to a degree that officials see as unwise and/or untenable

An Issue for A Range of Cities Suburbanization and sprawl are significant factors not only for cities that are losing population to their outlying areas A range of municipalities from rapidly growing suburban cities to urban cities that maintain their population base or grow in the face of suburbanization also feel significant impacts from suburban growth Because of suburbanization and sprawl service demands and revenue streams change – often with demands outstripping the local government s receipts Commutes across entire regions usually are lengthened and the quality of life is diminished And as businesses move to the suburbs it becomes harder to connect low income or unemployed residents in the central city with the suburban jobs

Racial, Income Divisions Widened Adding to the problems officials report that suburbanization and sprawl can cause a region to become more divided along racial and income lines as new communities with similar types of housing at similar prices attract similar types of people The cycle begins to feed

Salt Lake City, UT

With its high quality of life and its wealth of recreational opportunities close to downtown Salt Lake City has become a destination for people from across the country and around the world Adding to the city s appeal are a strong tech nology base a university research parks and other business incubators and a strong young educated workforce that attracts businesses In the past there was a perception that the downtown was dead With redevelopment of the downtown area and other activities however people and businesses are mov ing back to the city from the suburbs

How City Officials See It: The Movement of People and Businesses

What Is It?

When city officials talk about the movement of people and businesses they talk about

In migration and outmigration popu lation growth mobility immigration increasing concentrations of low income people in the city while the middle class moves out the flight to suburban schools and the loss of businesses to the suburbs

Why Does It Matter?

The movement of people and busines es matters to cities because it s connect ed to

Local property values and the stability of the local housing market potential declines in homeownership the diver sity of local residents income dispari ty and concentrations of poverty and wealth the loss of jobs declines in city revenues as the tax base is dimin ished increased demand for local ser vices traffic congestion the local quality of life crime unemployment strains on local schools diminished participation in local government and the revitalization of city neighbor hoods

MAJOR FACTORS AFFECTING AMERICA'S CITIES

What factors are having the most significant effects on your city?

That was the question posed to city officials by NLC researchers as part of NLC s Municipalities in Transition Project City officials gave a variety of answers but a set of six recurring factors emerged in the interviews They are

- The New Economy
- Limited Revenue Capacity
- The Movement Of People And Businesses
- Suburbanization And Sprawl
- Education
- Changing City Government Roles and Relationships

These factors were commonly mentioned At least one of the factors came up in each of the 70 interviews conducted for this report and at least two were mentioned as having an impact in each of the 27 cities represented among the interviewees

It is important to note that these factors are not entirely distinct When officials describe any one factor they often are describing one or more of the others Suburbanization for example is inextricably linked to the movement of people and businesses just as limited revenue capacity is at the heart of many aspects of changing city government and the new economy is central to any discus sion of education today

It is also important to note that each of these factors affects different cities in different ways An individual factor for example might have very little impact in some cities while being a vitally important factor in others A city with a long history of manufacturing dominance for example will be affected much

more by a decline in manufacturing than a city with a service based economy Likewise a city that has been experiencing long term population growth will look upon growth much differently than a city that has been experiencing population loss

As a result some of the most significant factors affecting cities are local factors They are the local leadership local growth patterns the local relationships between the city and the schools or the local relationship with the Environmental Protection Agency When something happens in a city it is fil tered through these various characteristics As a result a certain factor can mat ter more or less or simply in a different way to one city than to another

Each of the six major factors affecting America s cities is described in detail on the following pages

Municipalities In Transition About the Project

The Municipalities in Transition Project was launched by the National League of Cities in 1997 It is based on the belief that there are significant economic demographic and legislative changes taking place that are transforming what city governments do and how they do it In addition to identifying those changes and the major factors affecting cities today the Project investigates specific issues of importance to cities and towns Most recently the Project has been involved in an effort to better under stand and communicate the key issues surrounding city fiscal conditions

Thirty cities participate in the Municipalities in Transition Project The cities were selected to represent the range of economic demographic geographic and fiscal diversity of all cities in the United States Twenty seven cities were available for inter views for this research report The participating cities are

Abilene TX	Galveston TX*	Orlando FL
Alexandria VA	Great Falls MT	Philadelphia PA
Boston MA	Iowa City IA	Rochester NY
Cerritos CA	Little Rock AR*	Salt Lake City UT
Charlotte NC	Los Angeles CA	Savannah GA
Columbus OH	Madison WI	Seattle WA
Denver CO	Minneapolis MN	Tempe AZ
Detroit MI	Monroe MI	Tulsa OK
Eugene OR	New Haven CT	Watertown SD
Fort Wayne IN	North Miami FL	Yonkers NY*

Cities marked with an asterisk entered the project after interviews for this effort had been completed NLC received additional support for the Project from the Division of Economic Development and Public Finance in the U S Department of Housing and Urban Development s Office of Policy Development and Research Interviews with city officials were conducted by Jamie Woodwell NLC s Research Manager Michael Pagano Professor of Political Science at Miami University Susan Clarke Professor of Political Science at the University of Colorado at Boulder Sheila Croucher Professor of Political Science at Miami University and David Parkhurst NLC s Senior Policy Analyst

Charlotte, NC

Recent years have seen more and more residents observing that Charlotte is no longer a Southern town As the city s economy has bloomed there has been a massive in migration from other states with the new residents representing diverse ethnic groups that traditionally have not called Charlotte home The newcomers have brought a variety of economic and other benefits to Charlotte but they also have brought many challenges Among these the police local hospitals and 911 have had to develop new language capabilities and the newcomers initially have little sense of the city s history or its norms

Madison, WI

People have been moving to Madison in recent years because of its high quali ty of life as evidenced by the city s good schools its low crime rate and a strong local economy As new people arrive however the city faces the chal lenge of helping them adjust to their new home Many arrive with different expectations of what constitutes appropriate behavior – ranging from their level of involvement in local schools to finding and using babysitters to the use of drugs and violence In addition just as law abiding families and people move in so do predators This puts increased pressure on police and other city services

New Haven, CT

The low costs of developing greenfields surrounding New Haven has drawn many higher paying businesses and wealthier residents to the suburbs leaving the city with a concentration of low income and unemployed residents As a result the city faces limited revenues alongside an increased demand for ser vices The outmigration also has changed the feel of the city especially its neighborhoods Despite these changes the local government structure is the same as it s been for 150 years with functionally limited regional authorities and with the city unable to use annexation to make up for the population and revenue losses

. North Miami, FL

As new arrivals have moved into the North Miami area primarily from Miami many longtime residents have moved out As a result the ethnic composition of the city has changed dramatically since 1970 The new mix has brought new challenges to North Miami as the city has had to increase its outreach to new residents while dealing with surging school enrollments The city also has had to learn to work with the new immigrants and their varying cultures some of which are characterized by a fear of government North Miami has wel comed the immigrants and other recent arrivals but at the same time the city is trying to help them understand the city s culture as well as how local govern ment and citizens need to work together to build a strong community

concerns for city officials Large numbers of in migrants moving into a com munity for example can diminish the previous residents sense of ownership Similarly an influx of low income individuals can lead to an increased demand for services and an influx of upper income households or empty nest par ents can lead to gentrification displacing longtime community residents

Regardless of their place of origin or their socioeconomic status new arrivals add to congestion on local roads and increase demands on the local housing market – sometimes leading to more sprawl development and bidding up the cost of living Moreover not everyone who comes to the city is immediately employable a situation that leads to increased demands for services and train ing As one city staff person put it No matter how good we are at dealing with problems the pot is getting filled up faster than we are emptying it

Adding to the demands on cities people moving into a community may bring with them cultures and experiences that are different from those in their new home This leads to tensions affecting schools public safety citizen involve ment and more Not only do the new residents increase the amount of ser vices a city must provide but they often require that those services be provid ed in a different way - e g in different locations and in different languages

Mobility as a "Circuit Breaker." Mobility can serve as a circuit breaker that helps a city deal with the economic changes it faces If the economy is grow ing faster than the workforce new residents moving in can provide the needed labor Likewise in times of economic decline people leaving can mitigate at least some of the increases in unemployment One difficulty in relying on mobility as a circuit breaker however is that it keeps the benefits of a rising economy from reaching everyone in the city New arrivals usually fill job vacancies before businesses become so anxious for labor that they train long term unemployed city residents

The Local Scene: How the Movement of People and Businesses is Affecting . . . .

Abilene, TX

As the local economy in Abilene has changed and diversified in the last eight years so has the city s population – meaning that different people different interests and different professions have been added to the community mix An increasingly diverse population has brought with it an increasing diversity of opinion There are still a number of common interests that bind the city together but city officials report that more neighborhoods are focusing on their own needs instead of the broader needs of the city as a whole

The "New" Economy

The services sector has overtaken manufacturing as the core of our economy Globalization has meant that an American city may now trade more with Hong Kong than with that city s direct neighbor Many local economies are booming while others are stagnating City officials often see economic factors at the root of other important issues and trends facing their cities Whether it is economic growth or decline or a fundamental shift in the way the economy works changes in the economy have profound impacts on cities and municipal gov ernments

How It Affects Cities In their interviews with NLC researchers city officials spoke of impacts stemming from four distinct but interrelated aspects of the new economy globalization shifts in the structure of the economy econom ic growth and economic decline

- **Globalization** When discussing globalization officials described the for mation of new connections between areas that used to seem remote including different parts of the world and different parts of a local eco nomic region Officials also focused on a region s competitiveness as an important concern in today s global economy
- **Structural Shifts.** When describing shifts in the structure of the economy officials referred to the shift from manufacturing to services and informa tion based industries along with changes in wage levels and in the num ber of jobs available to local residents Officials noted that these structural shifts often cause people businesses and commerce to move from one city or town to another
- **Economic Growth and Decline** Many officials talked about the impacts of economic growth or decline Growth was described as satisfying many municipal needs such as the need for jobs while creating a strain on municipal systems such as housing markets and transportation because of increased demands Economic decline on the other hand was described as sapping many local systems from housing to local job markets while also limiting the tax base and other resources cities can draw on to meet residents needs

All Parts of Community Affected. When economic change comes to a city it impacts almost every part of the community and leads to changes in all of the other factors described in this report Local wages unemployment rates housing costs tax bases transportation and other systems all are affected In addition changes in the economy can lead to increases in the number of people coming to or leaving an area thereby affecting local diversity and concentrations of poverty

A Concern for All Cities The new economy is not simply a plus for some cities and a minus for others For example many cities with growing economies experience strains on services and systems from transportation to education without adequate new tax revenues to support them The population increase that often follows economic growth creates an array of new challenges with which these cities must cope

The Local Scene: How the New Economy is Affecting . . . .

Denver, CO

Since the 1980s Denver's economy has diversified to include financial services biotechnology telecommunications and high technology sectors The city no longer relies on the oil and gas sectors that collapsed in the 1980s plunging the Denver economy into recession A vibrant economy has helped spur new housing starts and lower unemployment But it also has attracted California and Texas transplants who compete for jobs and whose above average disposable incomes contribute to higher housing costs in the area

Great Falls, MT

In the past 15 years there has been a dramatic shift in Great Falls away from a strong blue collar middle class community built on high wage jobs in manufacturing As plants and military bases have closed those jobs have been replaced by jobs in services retail and tourism – new jobs but at lower wages As the city looks to attract new manufacturing jobs its lack of proximity to markets is a factor Industries that have recently located in the city include pasta manufacturing which relies on local wheat tourism connected to nearby parks and telephone companies which are relatively footloose The manufacturing decline raised serious questions about the city's future but now residents and local leaders have rallied to direct change

Philadelphia, PA

The consolidation of corporations in response to the globalized economy means fewer corporate headquarters are located in Philadelphia now the home base of only one large bank The civic leadership that bankers once provided has dwindled Consolidation has meant that there are fewer CEOs and that they are stretched farther Because their companies have offices throughout the world the CEOs are no longer attached to their hometown The presence of so few banks that are headquartered locally means that local businesses are finding it harder to secure loans

The Movement of People and Businesses

As people and businesses move into and out of cities they affect the level of services that cities must provide as well as the revenues cities can raise to fund those services City officials note that the movement of people and businesses has additional impacts on cities because many new arrivals do not immediately fit in and require assistance in adjusting to their new schools their new neighborhoods and the workings of the local economy In addition as the resident population in cities changes the core economic and demographic structure of the city changes as well leading to transitions in city programs activities revenues local housing markets economic and demographic diversity and more

Why Do People and Businesses Move? In the view of local officials mobility is driven by a continuing search for better schools better job opportunities greater affordability a quality workforce and/or a better quality of life What officials are most concerned about however is that mobility itself often diminishes the quality of many of the amenities that people and businesses covet both in the places they leave and in the places to which they move

When People and Businesses Move Out. When people and businesses move out of a city they leave it with fewer economic and social resources a situation that can lead to a cycle of disinvestment and decline The loss of people and businesses and the associated decline in property values diminishes a city's tax base The result according to city officials is that the city is unable to provide new services and to develop new programs to respond to neighborhoods that are in decline At the same time the reduced tax base limits the ability to maintain existing programs and keep up with current needs As people and businesses move out they take their tax dollars with them but they leave behind schools parks and other infrastructure that the city must maintain

In some cases according to city officials outmigration also diminishes the pride and the sense of responsibility that many remaining residents feel for the community As those who are able to leave do so many of those who remain become skeptical about their community's future Nevertheless some communities use declining population as a rallying point around which to galvanize support for action In other communities people who move elsewhere within the metropolitan region retain links to the communities they leave – sometimes returning weekly to attend church synagogue or participate in other activities

When People and Businesses Move In Cities that experience in migration benefit from the skills and the resources that new residents bring with them At the same time however new residents create new responsibilities and new

sales tax the city receives a large share of its revenue through tax increment financing (TIF) But with the city fully developed revenues from TIFs which provide about $18 million annually are scheduled to run out between 2000 and 2005

Eugene, OR

Eugene s general fund saw a decline of 17 percent last year as a result of state property tax measures Despite the fact that Eugene residents voted against the measure the city is now constrained by it meaning the city can t raise revenues to a level necessary to fund the services residents demand Adding to the problem state actions have shifted the tax burden more toward residents in recent years Where businesses and residents once contributed roughly equal proportions of the total tax revenue today 62 percent of taxes are paid by residents and 38 percent are paid by businesses This has led to greater resentment of taxes among residents and an increasingly anti tax sentiment

Los Angeles, CA

The tax structure in Los Angeles is built around the sales tax However with the growth of the service economy and the fact that many services are not taxed city revenues have fallen behind City officials feel their revenue structure is tied to the wrong kind of tax base To continue to meet residents needs the city needs a tax base that is more tied into economic growth

How City Officials See It: Limited Revenue Capacity

What Is It?

When city officials talk about limited revenue capacity they talk about

Declining funding for transportation and infrastructure inadequate state revenue sharing, loss of the local tax base and the vulnerability of city revenues the property tax being squeezed for general government services and to meet education mandates budget pressures the potential loss of city s sales tax revenue the need for increased revenues from sales taxes and interjurisdictional competition for business and its impact on city revenues

Why Does It Matter?

Limited revenue capacity matters to cities because it s connected to

An increased focus on services that produce revenues for the city greater reliance on property taxes and an increased residential tax burden relative to the business tax burden a lack of funds for city services and programs fiscal stress traffic congestion as infrastructure needs aren t met a negative impact on the local economy insufficient funds for education and service delivery problems

Seattle, WA

With Microsoft and Boeing in the region Seattle s biggest challenge is how to deal with its economic growth Budget and revenue expectations are strong but there is concern that some residents may be falling behind and that some neighborhoods are not sharing equally in the benefits of growth In addition traffic congestion and other side effects of growth are diminishing the quality of life in many neighborhoods With many single family neighborhoods throughout the city and with sprawl becoming a major issue the city is trying to balance residents concerns about increased density against the overall desire to keep the city compact

Watertown, SD

Over the past several years businesses and industries from Minnesota and elsewhere have moved to Watertown for what is considered a favorable business environment Important attractions are the city s low wages and the lack of state personal or corporate income taxes As rural South Dakotans and others have moved to the city in search of jobs the local unemployment rate has declined to less than two percent The city s low unemployment rate has helped to lower the costs of state and county social service programs At the same time however the recruitment of new industries has been hampered as existing businesses compete vigorously for an underemployed workforce that is constantly in search of higher wages

How City Officials See It: The "New" Economy

What Is It?

When city officials talk about the new economy they talk about

Globalization the shift from manufacturing to services and the loss of manufacturing jobs the shift to an information based economy the changing wage structure and economic growth and decline both locally and in the broader economy

Why Does It Matter?

The new economy matters to cities because it s connected to

Economic growth and decline and the strength of the city s revenue base jobs and unemployment economic interdependence both regionally and globally competition from other governments for businesses in migration and out migration income inequality i e lower wages for some and wage increases for others conflicts between growth and preservation of quality of life a demand for high skilled labor the consolidation of corporations and the decline of civic leadership by business CEOs increased participation in local government greater diversity a lack of adequate city revenues because services aren t taxed inadequate state revenue sharing transportation needs congestion sprawl the revival of downtown areas and the affordability of housing

Limited Revenue Capacity

Many city officials report that they are facing significantly limited revenue positions. City officials point to a variety of causes for the changed revenue picture including federal, state, and ballot preemptions and mandates, changes in the structure of the economy, suburbanization and sprawl, and changes in the level of federal and state fiscal support for cities. Without adequate revenues, cities are unable to accomplish what residents demand. In addition, limited revenue capacity affects how cities raise revenues and the relative tax burdens imposed on different taxpayer groups.

Local Revenues Controlled by States and Feds. City officials describe a situation in which the federal and state governments impose mandates requiring cities to assume responsibility for certain costly activities. At the same time, most states limit cities' taxing authority to some degree, and federal preemptions of local taxing and other authority have increased in recent years, limiting the cities' ability to raise funds. Exacerbating the tight municipal revenue picture is the fact that many state systems designed to redistribute state funds are based on criteria that do not distribute funds equitably – often leaving cities on the short end.

"Just One or Two Revenue Sources." Consequently, cities increasingly are forced to rely on just one or two revenue sources – the property tax usually among them – and to adopt an entrepreneurial spirit that pushes cities to look for services that can support fees and charges. The former places an unfair burden on groups providing the needed tax revenues, while the latter focuses the city's activities more on fundraising and less on service delivery.

"Revenues Lost to Leakage." Even cities with a diversified tax base are hurt by geographic, economic, and other shifts that affect their revenue streams. Officials note that in the past, people usually worked and shopped in the same jurisdiction they lived in. But today, as growth increasingly has moved outside of city limits, a city's property, income, and sales tax bases all are subject to leakage, that spreads tax revenues over a much larger geographic area. Without annexation, the city is unable to raise revenues from many people who commute into the city daily.

Three Key Impacts. In their interviews with NLC researchers, city officials spoke of three distinct impacts stemming from their limited revenue capacity. They are:

- *A Disproportionate Tax Burden.* The impact of revenue restrictions is most pronounced in cities that depend on only one or two revenue sources. In cities that depend on property taxes, for example, officials report that local taxes are more of a burden to residents than to businesses. Reliance on the residential sector for revenues becomes even more pronounced as businesses get more adept at using interjurisdictional competition to their advantage – asking for and often getting tax abatements and other benefits in exchange for locating their operations in one city as opposed to another.
- *Increased Reliance on Alternative Revenue Sources.* Because property values experience a slower rate of growth than the economy as a whole, the property tax fails to draw in revenues commensurate with growth. This means cities often have to look to fees, charges, and other sources for needed additional revenue. Their increasing reliance on fees has pushed cities toward an "ability to pay" basis, where those parties able to pay increased fees and charges for particular services are increasingly asked to do so. There is also an increased burden placed on those identified as having a "willingness to pay."
- *Service Cutbacks.* Cities face three budgetary concerns: 1) spending enough to meet resident demands and infrastructure and other investment needs; 2) raising enough revenue to cover those expenditures without being onerous; and 3) reserving enough to meet unexpected needs and to meet or exceed bond rating demands. With limited revenues, cities are forced to tighten up on the expenditure side to balance the annual budgets and insure necessary reserves. Thus, city officials have little choice but to curtail what they do.

The Local Scene: How Limited Revenue Capacity is Affecting . . . .

Alexandria, VA

Alexandria gets approximately half its revenue from real estate taxes, but with those revenues growing at less than 4 percent per year, funds to maintain or expand city services and programs are limited. The school system alone requested a 7 percent increase in its budget last year. To make up for the limited revenues, the city has streamlined and cut its budget as far as possible without cutting services. While the city consistently has responded to infrastructure needs with a "pay as you go" approach, keeping debt and debt payments low, the combination of limited revenues and continued needs has pushed the city to look more to debt as the way to pay for necessary infrastructure investments. In FY 2000, the city will require an additional $5 million for debt service – money that otherwise could be used to pay for services and programs.

Cerritos, CA

Cerritos is almost fully developed, with a mix of residential, industrial, and commercial property. As the cost of providing services to an increasing population of residents and businesses continues to rise, the city does not see a commensurate increase in revenues. In addition to a heavy reliance on the